

Friday September 6 1996

Table of international news prices for various countries including Albania, Andorra, Argentina, etc.

The Guardian INTERNATIONAL

Printed in London, Manchester, Frankfurt and Roubaix

NEWSPAPER OF THE YEAR 48.651

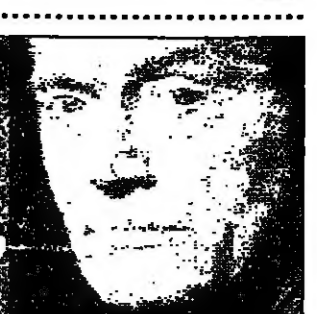
Sport 96

Damon Hill breaks his silence



Review

Millennium: after the X-files, things get really scary



Tories dig in on tax

Michael White and Larry Elliott

THE Conservative drive to step up its tax attack on Labour was bogged down last night as ministers were forced back on the defensive over the Government's £17 billion of tax rises since 1992.

reporters challenged an evasive Mr Clarke over his own tax record and tax plans. Paddy Ashdown, leader of the Liberal Democrats, accused both parties of dragging the country into "a crazy auction of promises as Labour and Tories try to dangle bigger and bigger bribes in front of the British people".



ILLUSTRATION BY STEVE CAPLIN

Children's homes hit by fresh scandal

David Brindle, Social Services Correspondent

A FRESH scandal broke yesterday over the already sullied image of Britain's children's homes when police said they feared for hundreds of youngsters who had passed through a home in Cardiff.

comes after two former staff members broke their silence and gave police names of former colleagues who, they believe, operated a paedophile ring preying on girls and boys at Taff Vale.

What the Tories say

People are £590 a year better off in real terms than they were five years ago, despite the tax increases of 1993-4.

Ken Clarke's arithmetic

The average inflation-adjusted take-home wage of a married man in a one-earner family is £297.50 a week. At an annual rate, that is just less than £700 higher than it was in 1991-92, after allowing for price hikes, including those caused by higher excise duties and VAT on fuel and power.

But it's not quite so simple

According to the Treasury's figures, the pay rises and tax changes have made a contribution to faster pay packets. To separate the impact of taxes, the Chancellor has compared the 1991-2 tax system with the 1995-7 system. The net effect of tax changes has been to boost take-home pay by £280 a year. The rest of the increase, £410, has come from higher earnings.

What Labour says

A typical family has paid an extra £200 in tax since 1992 because of the changes in the four subsequent years. It is paying £268.25 a year more in tax than it was at the time of the last election.

Gordon Brown's arithmetic

In all, the shadow chancellor says the Government has increased taxes 22 times. Some changes are minor, others are much heavier, particularly the increase in employees' national insurance contributions to 10 per cent (£525) and the two-stage reduction in mortgage interest relief (another £525). The 22 changes tot up to £2350 over the three years to 1995, offset partly by tax reductions of £220 since 1992.

But it's not quite so simple

Labour takes no account of real earnings increases. It looks solely at tax on the grounds that earnings normally go up whichever party is in power. And its calculations exclude the impact of the 1992 Budget, which reduced taxes just before the last election.

Hitler's Mein Kampf cash may be in Swiss bank



Adolf Hitler ... hid his royalties in Bern account

'Client confidentiality' prevents details of account being released

Richard Norton-Taylor

ADOLF Hitler deposited royalties from his best seller, Mein Kampf, into a secret Swiss bank account identified in newly declassified US intelligence reports.

Mein Kampf, or My Struggle, was first published in 1925, and sold 6 million copies by 1940. It has been translated into 11 languages, and a new imprint was recently published in the Lebanon.

They show that the Fuhrer's personal accounts were handled by Max Ammann. He is described in the papers as "a close collaborator of Hitler". They were held in the Bern branch of the Union Bank of Switzerland.

published today. The authors of an intelligence report, dated October 1944, made it clear they believed that the Swiss account held the "foreign exchange revenues of the Nazi Party abroad" as well as Hitler's personal revenue from the sale of Mein Kampf.



Turn to page 2, column 8

Inside

Police warned leading loyalists in Belfast their lives were in danger as fears rose of a bloody internal war.

News

Police warned leading loyalists in Belfast their lives were in danger as fears rose of a bloody internal war.

World News

Attempts by the French government to buy back poplarity through hefty tax cuts appeared to be foundering.

Finance

City watchdog IMRO contacted the Serious Fraud Office over its inquiry into irregularities involving Morgan Grenfell trusts.

Sport 96

England are back in the Five Nations Championship after officials from the four home nations hammered out a deal to end the dispute.

Comment and Letters 8

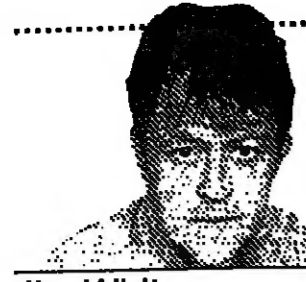
Obituaries 10 Friday Review Quick Crossword 11; TV and Radio 12

Advertisement for The Guardian International & The Observer Travel Bag, featuring a navy travel bag and contact information.

Subscription form with fields for name, address, postcode, country, and payment details.

Review

Usual suspects guilty of rounding up too few jokes



Jim White

OPENING up the new Punch, with its New Yorker-style half cover, the first thing you encounter is a strip of pictures of contributors. There's Peter Tory, Alexander Cockburn and to show there's nothing sexist about the enterprise, Lucretia Stewart.

Further on in the magazine, there are mugshots of Taki and Nigel Dempster (Edward Pearce's contribution, incidentally, is picture-free — presumably the publishers didn't want to frighten off potential readers).

But these byline portraits are not the standard shabby, grainy, black and white snaps we are used to in our newspapers, they are flattering line drawings, expensively reproduced in pastel colours. And thus they tell you all you need to know about the new Punch: it is the same old suspects, only this time they come armed with a budget.

Peter McKay, the man charged by Mohamed Al-Fayed with spending large amounts of Harrods-derived money trying to revivify an institution, writes a feisty editorial on page five. His is no modest mission statement: Punch, he hopes, will bring something to the English-speaking world. And he is to do it, he writes, without the help of management consultants or market research gurus or yooof honchos with degrees in demographics. It is a reasonable stand to

take — after all it was market research that killed off the old Punch, forcing it to seek a new audience while alienating its existing one.

Flicking through the glossy, elegantly designed pages of this first edition, it is as if those lame, sad, desperate days under its last editor, David Thomas, never happened.

McKay has returned the magazine to its core. Better looking than it ever was, certainly, but very recognisably the Punch none of us ever bought but which we all remember from the dentists.

Like all the best publications, McKay suggests, this will be a magazine developed from a gut instinct, one to appeal to people like him. The worry must be, however, that Britain's entire population of people like Peter McKay — clubbable coves schooled in the old Fleet Street way of creative expenses and convivial lunches — won't need to buy the magazine: they are working for it.

As in the old days of Alan Coren, Miles Kingdon and Hunter Davies, the biggest



Mohamed Al-Fayed: trying to revive English institution

smiles are caused mainly by the cartoons. Larry's back, and McClachan, even Bill Tidy, with their wry middle-aged view of things.

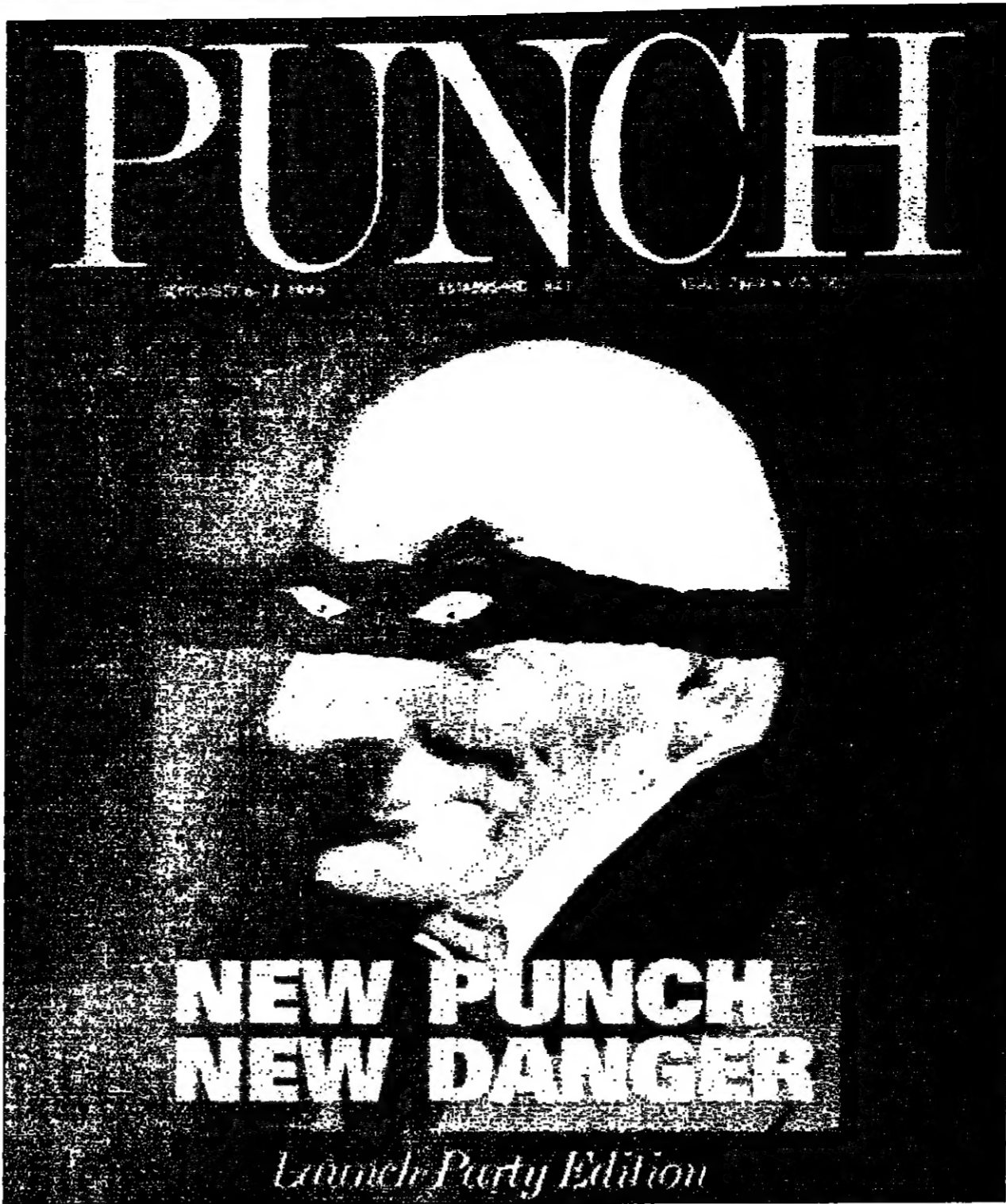
They are joined by a new generation of scribblers, most of them infected with Larsonsitis, suffering a bad dose of the surreals. But sadly none of them is contaminated with the laugh-out-loud-on-the-tube disease which afflicts Private Eye's Celeb or Yobs, or Viz's magnificent Dr Poo, scouring the universe for a vacant lavatory.

Which was always Punch's trouble: it was low on belly laughs. What McKay tells us his Punch will provide instead is a parade of the finest British writing. In places, he's managed it: the review section is excellent, with strong pieces by John Walsh, Andrew Graham Dixon and, particularly, Vikki Woods. But, you wonder, if McKay wants to give a platform to the best, where are Craig Brown, Matthew Norman, Nick Hornby or the Smith brothers, Giles and Victor Lewis? Writing for editors with a better eye for what the public wants, presumably.

For all McKay's noble sentiments about the content being the thing, even the Al-Fayed pockets are not deep enough to sustain a magazine as glossy as this — without a little help from the men with clipboards and flow charts at the advertising agencies.

The alarming thing about the first edition is how few ads there are: the covers are taken by BMW and Saab and that's about it. Compared to the muscular ad content of Viz or Private Eye, the new Punch looks frail, anorexic.

You can only assume the advertisers don't agree with McKay that there is a market out there for this kind of magazine, with his kind of cast list. Either that or it is not the kind of market they want.



Back from the dead... the new-look Punch, expensively relaunched after four years' absence from dentists' waiting rooms

'I think it should be called the Middle Age-er rather than anything else. I would have thought there is enough in it for the fat and 40 to find something while they wait at the dentists, but there wasn't any funny writers apart from Christopher Matthew.'

Ned Sherrin, broadcaster

'It just looks like it always used to, which is perhaps what they wanted: the old Punch didn't sell very many but made piles of money. I'll be very interested to see what the sales are like.'

Ian Hislop, editor of Private Eye

'It was very unadventurous. It's gone right back to Punch 15 years ago, which is a lot better than going back to how it was in its last few years, but I think it's very old.'

John Brown, Viz founder

'They've done a lot of work. Mike Molloy [deputy editor] is very professional, Peter McKay is a very jolly fellow, they've done a lot of market research and this is clearly what they believe is what readers will want.'

Alan Coren, former Punch editor

'Peter McKay himself slugged us off when The Oldie was launched. He said it looked as if it was dreamt up by a bunch of drunken old lags... I won't be so unkind, but I'm very gloomy about it. You want to be able to see the seeds in it of something promising. I can't see any of that.'

Richard Ingrams, editor of The Oldie

Sketch

Soft centres for TV's gritty soap

Stuart Millar

BEING immortalised as an eight-inch high chocolate statue may appeal to some people, but Percy Sugden clearly is not one of them. When Cadbury's presented Coronation Street's resident old git with the confectionery tribute yesterday, even his fine acting talents could not cover his lack of enthusiasm. And no wonder: it wasn't even Bourneville.

But Percy — or Bill Waddington to his family — had better get used to being surrounded by the stuff. From 7.30 tonight, the Street will be positively swimming in choocy as the largest sponsorship deal in British television history is launched.

In return for a £10 million investment — more money than even Jack and Vera Duckworth could squander — Cadbury's logos will appear at the start of the programme, during commercial breaks and at the end of each show.

Before the usual credits begin rolling tonight, 18 million households will see the traditional chimney pots and cobbled streets of Wetherfield made of — you guessed it — a blend of milk, sugar, cocoa butter and vegetable fats.

The chocolate Street was made by Aardman Animations, better known as the team that created Wallace and Gromit. Eastenders has pay kisses, Brookside has incest, Coronation Street has a glass and a half of milk in every building.

Chocolate was much in evidence at the launch in London yesterday. Billed as champagne and croissants with the cast, it was more a case of orange juice and Time Out with Percy, Sally Webster and Ken Barlow. Nick and Vera, no Mike Baldwin, and thank heavens for small mercies, no Curly Watts.

But the whole affair was just a little bit shambolic, as if it was the latest twist in the lives of Mavis and Derek Wil-

ton. For a £10 million deal, it was difficult to escape the notion that Granada and Cadbury's could put on a something a bit more impressive than a chocolate statue of an old geezer in a flat cap and some free product.

Percy went through the motions of welcoming the partnership, but he was either still in his grumpy character or secretly wondering whether it means his Christmas bonus will come in Creme Eggs. If the soap opera tittle tattle is to be believed, the cast are unlikely to see any more direct benefit.

Yet one man was obviously chuffed with the deal, although for somebody who has had such a tough life, what with his wife having an affair and his daughter taking drugs, maybe a relaxing chunk of choocy is just the ticket.

Ken Barlow, the grand old man of the Street, was overflowing with excitement, summing up all that wit for which he has become rightly famous. "It's the coming together of two great dynasties," his real-life alter ego Bill Roache enthused. "I'm tempted to call it a royal wedding."

The fact that a show which began 35 years ago as a gritty portrayal of working class life in North is now in danger of becoming nothing more than one big, fattening, deliciously addictive chocolate commercial was clearly not lost on our Ken.

"Our concerns were about the American style and we thought we might suddenly have to break the story and hold up a chocolate bar. As long as the quality is not affected I hope and believe the public will accept."

But after getting a couple of laughs for his one-liners, Ken made that all too common mistake of going one chocolate pun too far. To an embarrassing silence, he said the deal would "bring a whole new meaning to the words Quality Street".

Abuse inquiry rings alarm bells

Health Secretary warned social services of threat of huge public outcry

David Brindle, Social Services Correspondent

NEWS of another investigation of alleged abuse in children's homes, this time over six years to 1991, will set alarm bells ringing in town halls the length of the country.

The police inquiry into events at the former Taff Vale home in Whitcomb, Cardiff, brings social services and other care agencies perilously close to the date of an ultimatum set by Stephen Dorrell, the Health Secretary.

Responding in June to widespread concern over allegations of past abuse in homes in north Wales and Cheshire, following a series of other scandals, Mr Dorrell told social services directors that nobody could feel comfortable about "the failures there have been at member or manager level" to protect children in care.

He went on, however, to draw a clear distinction between events before and after 1991, when the Children Act overhauled local authorities' care responsibilities.

Mr Dorrell said: "If it should become evident that since 1991 the sexual and other abuse of children in public care... has not been prevented much more effectively than in the past, the public outcry will be on such a scale as to put fundamentally at risk the roles and functions of all the public authorities concerned."

With this thinly-veiled threat still ringing in their ears, social services directors will be looking anxiously over their shoulders at events in Cardiff. While the police investigation may not — so far — be as extensive as others, it will feel closer to home because the allegations are more recent.

One of the problems in weighing the importance of



Taff Vale, the former short term care centre in Cardiff, now the subject of a police inquiry

the unfolding scandals in north Wales and Cheshire, as in investigating them, is that the allegations there date back to the 1970s.

Although the 400 former residents of the Taff Vale home who are being sought by police will now be between the ages of 16 and 27, there is more chance of tracing them, and of collecting reasonably reliable evidence, than in the other cases.

Argument over evidence was one of the reasons the report of the Jullings inquiry into abuse in homes in Clwyd, north Wales, was never published. The former Clwyd

county council was insisting on 200 corrections before it would consider releasing it.

Events in Clwyd and the former Gwynedd are now to be investigated formally, and publicly, by a tribunal headed by Sir Ronald Waterhouse, a former High Court judge.

The tribunal, only the fourth of its kind in 30 years, is to hold a preliminary hearing next Tuesday but will not start taking evidence until early next year. The process is expected to last 12 months and findings will not emerge before 1998.

Up to 200 children are alleged to have been abused at

seven homes in north Wales. The continuing police inquiry in Cheshire also extends to several homes and there is now no doubt that abusers did infiltrate the care home system to gain access to vulnerable youngsters.

It is, however, difficult to prove at a distance of 30 years or more just who was abused and who was not: with payments of up to £42,000 having been made to victims of the "pin down" regime in Staffordshire homes, and up to £145,000 to victims of Frank Beck and his fellow abusers in Leicestershire, there is unsurprisingly a degree of gold-

digging going on.

A review of the safeguards for children now in care, being undertaken by Sir Bill Utting, former chief inspector of social services, is likely to conclude that the scope for more pin downs or Clwyds is much reduced. Many homes, like Taff Vale, have closed and the remainder today accommodate only one child in five being "looked after" by local authorities.

The fear felt by those at the sharp end is that the abusers have long since moved on to new hunting grounds in fostering, youth work and education.

Hitler's cash may be held in secret Swiss bank account

continued from page 1

nationality, smuggled a painting of Salome, by the 15th century Venetian artist, Titian, out of Germany via Portugal to Britain.

The painting, says the letter, was "deposited in a provincial branch of the Westminster Bank". A spokeswoman for National Westminster said yesterday: "We are not able to help because we do not know which branch it was deposited in and whether the account holder is still alive." The bank had no authorisation to open a box containing the painting even if it knew where it was, she said.

After the second world war, the Allies negotiated an agreement with Switzerland over the disposal of Nazi assets. However, the extent of the information Switzerland gave the Allies is still unclear and the newly-declassified documents do not explain what action was taken.

"We need to know more and have to know more — whether the [Hitler] account is still open and where the money went to," Janice Lopatkin, spokeswoman for the Holocaust Educational Trust said yesterday. It was "an exceptional case", she said, and the UBS had a duty to reveal the information.

Greville Janner, the Labour MP and chairman of the Holocaust Educational Trust, said it was determined to find out what happened to the Mein Kampf money.

"The Nazis' financial spider's web had its centre in Switzerland, and we are following every strand to trace stolen Jewish possessions and money," he told the Jewish Chronicle.

Mr Janner said he had asked Lord Alexander, chairman of the National Westminster Bank to trace the owner of the Titian painting — estimated to be worth at least £5 million — or the surviving descendants.

Advertisement for Monty Python and the Holy Grail video. Text: "You can't expect to wield supreme executive power just because some watery tart threw a sword at you." Includes: THE MISSING 24 SECONDS. OUT NOW TO BUY ON VIDEO.

مكتبة الأصيل

Turks set to intervene as Kurds clash

Chris Nuttall in Irbil and David Hirst in Ankara

HEAVY fighting erupted again yesterday between rival Kurdish factions in northern Iraq as Turkey massed its troops on the border.

Although Iraqi troops and tanks did not intervene in the inter-Kurdish fighting near Degala, 15 miles south-east of the regional capital Irbil, Jalal Talabani, leader of the Patriotic Union of Kurdistan (PUK), claimed that President Saddam Hussein's forces had fought alongside guerrillas of the rival Kurdistan Democratic Party (KDP) in a push towards the PUK headquarters in Sulaymaniyah.

"Today they started a new assault from the south — 30 Iraqi armoured cars and 30 Iraqi tanks, with Iraqi soldiers and Massoud Barzani forces," he said in a reference to the KDP leader.

The Pentagon said it had no evidence of Iraqi action. "We don't see any attacks or massing of tanks," a spokesman said.

Mr Talabani said he would "call support from any country which is ready to help" — Iran, Syria or Turkey.

The KDP and the PUK have accused Iran of sending troops into northern Iraq to help the PUK. Mr Talabani said he had "unfortunately

not" received arms and support from Iran.

The KDP said it launched an offensive against the PUK, six days after forcing it out of the regional capital of Irbil, backed by Iraq's army.

Yesterday's fighting near Degala took place on the new front line established after the PUK was forced to flee Irbil. An Iraqi mechanised battalion stood by but took no part.

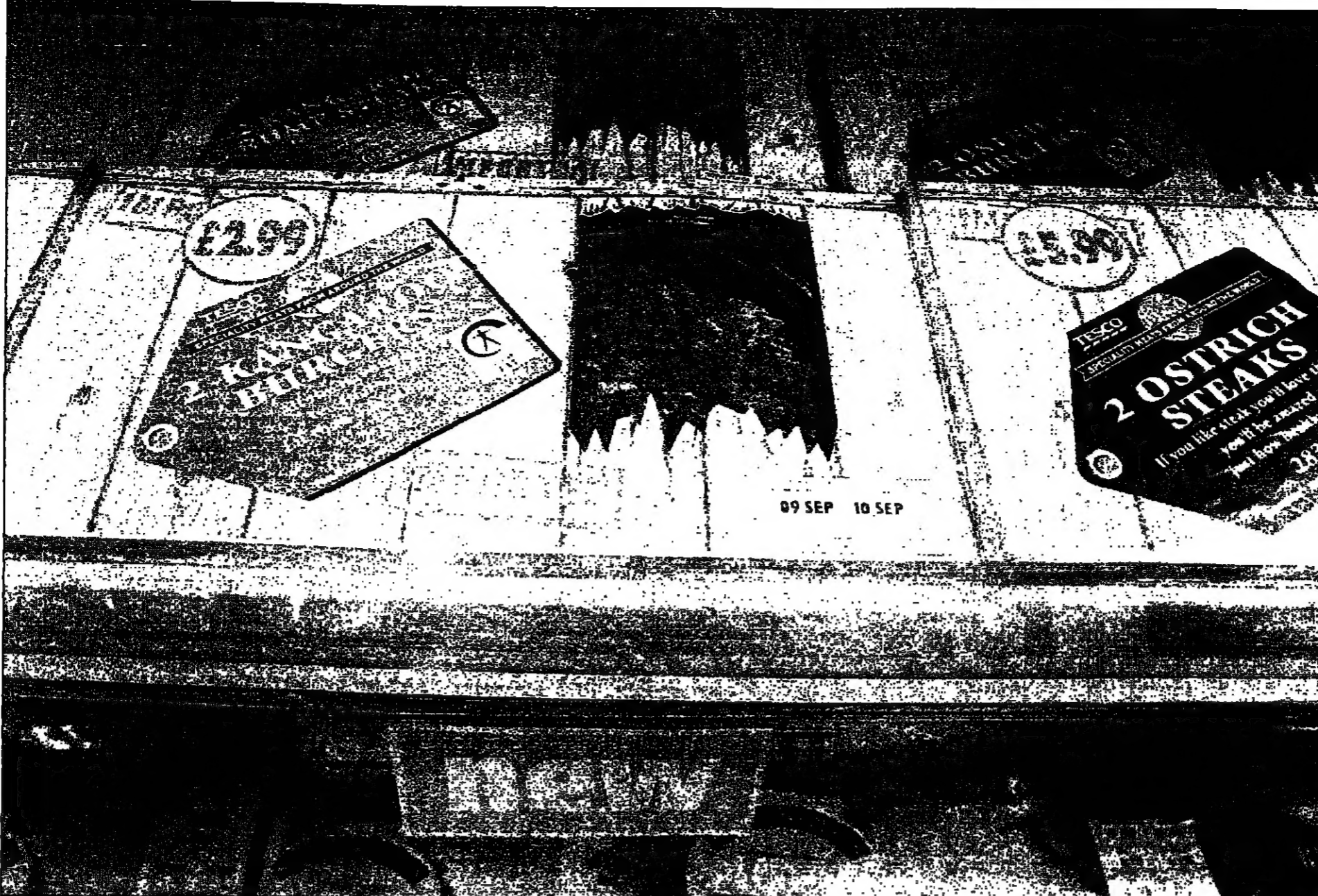
In the city itself, aid officials discussed a water crisis. The PUK controls a dam to the east and has cut water and electricity.

In Sulaymaniyah, a city of more than 1 million, thousands of people were queuing for water and many were taking it from polluted sources.

The Turkish army was reinforcing its positions along the Iraqi frontier yesterday, apparently in preparation for setting up a "security zone" inside Iraqi territory. A foreign ministry official denied earlier reports that a "limited" air attack was carried out against separatist Kurdish Workers' Party (PKK) rebels inside Iraq.

Tansu Ciller, the foreign minister, also denied that there was any plan for a cross-border operation similar to the six-week assault launched in March 1985 against PKK guerrillas operating from the Western-protected Kurdish enclave.

Iraq crisis, page 7; Leader comment, page 8



Kangaroo burgers join ostrich on sale at Tesco. The supermarket said it was launched in response to customers' desire for healthy alternatives to beef. PHOTOGRAPH: MARTIN GODWIN

Kangaroo leaps on to the British menu

Sarah Boseley on a low-fat alternative to beef making its supermarket debut

KANGAROOS have always held a special place in British hearts — look at Skippy, Kanga from Winnie the Pooh and all those bedtime cuddly toys.

Yesterday Tesco gambled that it would prove equally attractive to our stomachs, and stocked the shelves of its larger supermarkets for the first time with kangaroo steaks and burgers.

It may look to some like the latest tactic in the exotic meat wars that have blown up in the wake of the BSE crisis and the general trend towards low-fat, low-cholesterol eating.

On the day Tesco launched kangaroo, arch-rival Sainsbury increased the number of

its supermarkets stocking ostrich meat from 10 to 50.

Sainsbury introduced ostrich about two months ago, said a spokeswoman, "neck and neck with Tesco".

Oh no, riposte Tesco, "we were definitely the first".

And buffalo, which Sainsbury will stock from Thursday? "We launched buffalo in February 95," said Tesco.

But so far, Tesco have kangaroo to themselves. There it sat, in a pre-packed box on the vast meat counter in the Brook Green branch in Hammersmith, west London, between venison and ostrich.

It was very politically correct kangaroo, judging from the back of the packet — this was meat from wild animals killed in a government cull in Australia.

But Pat Nash, 68, almost shrieked at the thought of eating it. "No, no — it's like the whale meat we had during the war. I only ever smelled it cooking once and that was enough."

Had she never eaten the

First catch your kangaroo

Matthew Fort's Hopalong Steaks (Serves four)

- 4 kangaroo steaks
- 2 cloves of garlic
- 1 bay leaf
- 1 fresh chilli pepper
- 170 ml olive oil

- Pour olive oil over steaks. Add bay leaf and diced chilli pepper with seeds and crushed garlic. Leave overnight.
- Remove steaks from marinade and

- wipe dry. Grill or fry for about four minutes on each side. Sprinkle with balsamic vinegar.
- Serve with *pommes gratinées* and wash down with *château cou rouge*.

sort of woolly jumper more commonly found in this country — the humble rabbit?

"Yes — we used to have our own rabbits. My mum used to cry when she was cooking them."

Gwyneth Barrett was less queasy. "You never see rabbit now, and I like rabbit pie."

"I have been eating beef for more than 70 years and I'm still alive."

Manijeh Parki, a hairdresser in Kensington, was so concerned about BSE that she would not buy British if she

could possibly help it and had even switched to organic milk.

"But I'm a real meat eater. I try different meats sometimes and I might try kangaroo," she said.

Surveyor Geoff Locke thought he already had. "Oh no — that was ostrich," he remembered. "It was OK we'd have it again. It was a bit like beef."

Trainee barrister Maureen Miller turned her nose up. "It doesn't appeal to me," she said. It was something to do

with toy kangaroos, she thought. "It is pure conditioning."

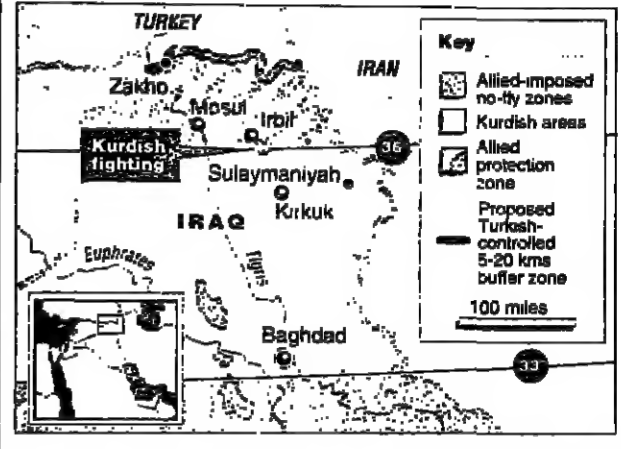
Nor are all Australians in harmony with kangaroo steak.

"There's no way I'd eat it," said Wendy Nichols, who came to Britain 30 years ago. "It looks disgusting. It looks like something you'd eat if you had no other food in the Outback, or way beyond the black stump, as we say."

Tesco says it is launching kangaroo in response to the customer's desire for healthier alternatives to beef.

It has 10 times as much rump steak (below 1 per cent) and is low in cholesterol. Kangaroo rump has 25 per cent less fat even than skinless chicken breast. Kangaroo burgers are way down the fat league compared with the average beef quarterpounder.

And compared with beef, it is relatively cheap. A pack of two kangaroo steaks costs £3.99 and two burgers for £2.99. Kanga and chips, anyone?



Yeltsin comes clean on heart condition

Political gamble as president tells Russians of new operation

James Meek in Moscow

PRESIDENT Boris Yeltsin admitted to the Russian people last night what they had long believed, that he is gravely ill and will enter hospital for heart surgery at the end of the month.

In what could be the riskiest throw of the dice yet by an inveterate political gambler, he decided that to clearly acknowledge one real sickness would make him stronger than leaving the country to imagine a thousand more.

"I want us to have a society of truth. We should not conceal what has been concealed before," he said.

Years of Kremlin cover-ups, denials and feverish media speculation about his health were set aside when he appeared on television to say his doctors had given him a choice.

"The recommendation of the doctors was: either an operation or a, so to say, passive form of work," Mr Yeltsin said, speaking slowly with long pauses between phrases. "But passive work never suited me, and won't suit me now. It's better for me to have an operation and to be restored to full health — as they promise — than passive action, passive work."

The assurances of the Kremlin doctors are unlikely

to ease increased tension between his possible successors. In the short term, it is not clear who, if anyone, will be designated acting head of state while the president is on the operating table.

Neither Mr Yeltsin nor his aides gave any hint last night as to the nature of the operation. Previous reports have suggested he needed heart bypass surgery.

He is likely to be treated at the respected Cardiac Research Centre on the outskirts of Moscow, headed by Valery Chazov, responsible for the virtual living mummification of Leonid Brezhnev.

Ivan Rykunov, head of the cardiac surgery research laboratory at the Russian Academy of Sciences, said bypass surgery usually involves a month in hospital and two months of rehabilitation.

Mr Yeltsin, who is on holiday at a hunting lodge outside Moscow, looked puffy and tired during the television interview with the RAI news agency. But despite his slow speech he seemed aware and informed.

He is due to have a four-hour meeting with Chancellor Helmut Kohl of Germany tomorrow, a rare encounter with a foreign statesman. Since his re-election in July he has scarcely been seen in public, intensifying concern after two heart attacks and years of sudden holidays.



President Yeltsin sips tea during his interview on Russian television yesterday

The surgical options for a full and healthier life

BORIS YELTSIN could visualise the state of his coronary arteries.

For doctors to be advising surgical intervention, at least one of the main arteries to his heart will be 70 per cent narrower than it should be. It is likely that Mr Yeltsin will have between one and three vessels in this condition.

He is highly likely to suffer from angina, pain brought on by the inability of the coronary arteries to supply the heart with enough blood for the energy it is expending. Angina is typically felt as a dull ache in the centre of the chest which is often described by patients as

a feeling of pressure.

There are two main options for treatment once drug therapy has failed to alleviate the symptoms. Coronary angioplasty involves dilating the obstruction in the vessels using a balloon passed up through an artery in the groin under x-ray control.

Mr Yeltsin is more likely to be offered a coronary artery bypass graft (CABG), or cabbage as doctor's call the procedure. This is a major operation that lasts about five hours and requires blood to be diverted away from the heart and lungs into a by-pass machine while the coronary arteries are opened.

The operation is painful, but with adequate pain relief he should be sitting out of bed the next day.

He is 90 per cent certain to get relief from angina after the operation. But if his heart muscle was sick before the procedure, he may still get short of breath and look slightly puffy. His chance of dying from the procedure is well below 1 per cent.

Dr Luisa Diltner is the Guardian's health editor.

Diplomat faces jail over films of 'paedophilic depravity'

Duncan Campbell Crime Correspondent

ADIPLOMAT with more than 30 years service faces up to seven years in jail after being convicted yesterday of smuggling into Britain one of the largest collections of child pornography found by Customs.

Robert Coghlan, aged 54, a former First Secretary who was described in court as a Jesuit and Hyde character, was remanded in custody for sentence today. He denied fraudulent evasion at Southwark crown court in south London.

After the trial, Jim McGregor, deputy chief investigator with Customs and Excise, said he believed Coghlan was part of a network of men sharing an interest in such pornography.

"I believe the videos were destined for wherever he was going and whoever was in his network," he said.

The jury deliberated for less than an hour before returning its verdict on Coghlan, who is fluent in six languages, including Serbo-Croat and Japanese, and who has served in Brazil, Cuba, Switzerland and the former Yugoslavia.

He was arrested after Customs became suspicious about his videos temporarily stored at an Essex depot en route to Madrid, his next posting.

A search found 109 obscene videos, 70 of which contained scenes of "paedophilic depravity" and involving boys as young as 11.

Mr Coghlan said he had no intention of importing the tapes as he assumed they would go straight to Spain.

A Foreign Office spokesman said: "It is too early to comment on his career but we will obviously have to take into account the outcome of the trial and consider whether disciplinary action is appropriate."

NICK BERRY IS GOING TO STOP ACTING.

(LET'S ALL PRAY HE DOESN'T TAKE UP SINGING.)

Nick Berry, one of Britain's most successful TV actors, is going to retire. Find out the reasons why and what his plans are only in this week's Radio Times.

RadioTimes

IT'S NOT WHAT YOU EXPECT.

Twenty years after a potent mix of loud, jarring music, drugs, attitude and bad hair laid waste to a generation, two Americans rekindle a bitter trans-Atlantic feud with the publication of Please Kill Me: The Uncensored Oral History of Punk.

Music, Friday Review page 2

Fears grow of a bloody internal feud as Spring and Mayhew attempt to rebuild the peace process

Senior loyalists 'on hit list'

Vivek Chaudhary in Belfast

POLICE yesterday warned a number of leading loyalists in Belfast that their lives could be in danger, raising fears of a bloody internal feud.

A number of leading loyalists are on a hit list which has been compiled by the Mid Ulster branch of the paramilitary Ulster Volunteer Force (UVF), according to security sources.

One of the men whose life is in danger is a Belfast-based member of the leadership of the paramilitary Ulster Defence Association.

Fears of a violent feud

were raised last week when the Combined Loyalist Military Command issued a 'quit Ulster or die' ultimatum to Billy Wright and Alex Kerr.

Mr Wright, who was given 72 hours to leave the province, enjoys widespread support in Mid Ulster and continues to defy the loyalist paramilitaries' ultimatum.

Mr Kerr, who is currently in prison on remand, has been ordered to leave upon release.

Billy Hutchinson, spokesman for the Progressive Unionist Party, the political wing of the UVF, said last night that he believed the death threat issued against Mr Wright and Mr Kerr would be carried out and that "this matter can't be settled

through mediation". The DUP is one of the fringe loyalist parties Mr Wright has criticised for their involvement in the Stormont talks.

News of the death threats, which could shatter the fragile peace process, came as the Northern Ireland Secretary, Sir Patrick Mayhew, and the Irish foreign minister, Dick Spring, met in Dublin for preliminary discussions before the Stormont peace talks begin next Monday.

Following a summer of violent clashes, which has increased sectarian tension in the province, both politicians said there was a need to instil a fresh momentum into the talks.

Mr Spring said: "It has

been a difficult summer but I think there is a determination by both governments to approach next Monday in a very positive mood."

Sir Patrick said: "The governments share a common position that the talks do represent the best and indeed the only way of going forward in pursuit of a political settlement based on consent and are looking forward now to sharing our ideas as to how that can best be brought about on Monday."

Responding to calls for fringe loyalist parties to be expelled from the talks because they have refused to condemn the death threat against Mr Wright and Mr Kerr, Sir Patrick said that

procedures were in place for dealing with breaches of the Mitchell principles, which require that all those taking part in the talks relinquish violence.

Meanwhile, a row broke yesterday over the presence of a leading Unionist MP at a rally in support of Billy Wright.

William McCrea, Democratic Unionist Party MP for Mid Ulster, spoke at the rally in Portadown, Co Armagh, on Wednesday night, attended by almost 3,000 people, including several supporters and members of Ulster Volunteer Force.

He said that he attended to "defend the right of free speech" and Mr Wright's

right to criticise the loyalist leadership.

However, Patsy McGloone, of the SDLP, accused Mr McCrea of "crass hypocrisy". He said: "When we entered into dialogue with Sinn Fein to help bring an end to IRA violence, Mr McCrea was among the first to spew sanctimonious condemnation of our party's action."

Francis Molloy, of Sinn Fein, called on Mr McCrea to resign. He said: "Mr McCrea is claiming to defend freedom of speech, a principle he does not extend to republicans and nationalists. He defends the right of someone who at the very least has publicly asserted the right of loyalists to kill Catholics."

News in brief

Major subpoenaed in Guardian libel case

THE PRIME Minister, John Major, his deputy, Michael Heseltine, and the Cabinet Secretary, Sir Robin Butler, are being subpoenaed by the Guardian's lawyers to give evidence in a libel action brought against the newspaper by former Tory trade minister Neil Hamilton, a Guardian spokesman said last night.

The case is due to start at the high court on October 1, a week before the Tory party conference in Bournemouth, and is scheduled to last a month.

The newspaper's lawyers have stressed to Mr Major that the desire to bring the hearing forward from next year — when it was expected to take place — was that of Mr Hamilton, who quit as trade minister in 1994 over the allegations and is fighting to clear his name over accusations that he asked Commons questions in return for cash from Harrods owner Mohammed Al-Fayed.

Mr Major, campaigning in Lancashire, said it was all news to him: "I don't anticipate I am going to miss any of the conference, but I don't know. The first I heard about it was this morning."

Sickle-cell breakthrough

SCIENTISTS from Jefferson Medical College and Cornell University in the United States announced a breakthrough in the search for a cure for potentially fatal sickle cell anaemia, after discovering a form of gene repair which promises new hope for the millions of sufferers worldwide.

The disease is caused by a genetic defect which causes sufferers' red blood cells to become misshapen — sickle shaped — and the researchers, reporting in the US journal Science, claim they can experimentally correct this in blood cells taken from sickle cell patients, although they have not yet tested the treatment on humans.

Eric Beutler, associate professor of pharmacology at Jefferson Medical College, said: "With this gene repair technique we hope to correct the genetic mutation in human blood cells... and reduce the episodes of pain and organ damage." Many cases of the disease occur among Afro-Caribbean — one in 10 in the United Kingdom suffer from it — while in Nigeria alone, 90,000 babies a year are born with the disease, of whom 70 per cent die before the age of five.

— Jane Alford

Queen's medal for poetry

THE Queen's 1996 Gold Medal for Poetry has been awarded to Peter Redgrove, 64, Buckingham Palace said yesterday. Mr Redgrove, from Cornwall, is a prolific poet, novelist and playwright and was recommended for the medal by a committee headed by the poet Laureate, Ted Hughes. Originally the award, instituted by King George V in 1933, was only open to Britons but in 1985 it was extended to all the Queen's subjects.

Second solvent victim feared

A BOY of 14 boy died yesterday after apparently inhaling the contents of his sister's aerosol deodorant. Carl Lee Cooper, who was found collapsed in his home in Darlington in the early hours, is the second County Durham victim linked to solvent abuse in 72 hours.

On Monday, Lee Thompson, 15, died after collapsing in a field near his home in Chester-le-Street during a party, for which alcohol and lighter fuel had been bought. An inquest into his death is due to be opened in Durham on Monday.

Britons in Jumbo terror

BRITISH passengers screamed in terror aboard a jumbo jet yesterday when the plane was tossed around in a violent lightning storm. A total of 30 people were injured, two seriously, when falling baggage caused havoc on the Air France Boeing 747 Johannesburg-Paris flight. The jet, with 233 people on board, was forced to make an emergency landing at Marseille.

Air France confirmed there were "passengers destined for British locations" on board the plane. It is understood that those passengers were intending to travel onwards from Paris to London, Manchester, Edinburgh and Dublin.

Hanged man 'killed wife'

POLICE believe a man found hanging yesterday had battered his estranged wife to death and attempted to kill his son before taking his own life. Kerry Sumner, 23, was found dead in her flat in Sheringham, Norfolk, early yesterday and her 18-month-old son Jordan was found lying beside her with a severe stomach wound.

Ms Sumner's estranged husband, Toby 26, was later found dead at his flat in the nearby market town of Aylsham. Police said Ms Sumner had died from multiple injuries, and it is understood her son — who is described as stable after emergency surgery — was stabbed.

Ms Sumner and Jordan were found by her boyfriend, Trevor Toon, who is in his mid-30s. He was returning to the house to be shared with them at about 1am yesterday morning after finishing work at a nearby Bernard Matthews poultry factory. It is believed that Mr and Mrs Sumner's divorce was due to be finalised in the next few days.

Correction

THE Political Animal Lobby, which has donated £1 million to the Labour Party, has asked us to point out that it is not the British arm of the International Fund for Animal Welfare, as we reported on Monday. "We are a sister organisation with the same principles as IFAW, but we are separately funded with a separate membership," said Nick Jenkins of PAL. "Some IFAW members are disgruntled at the suggestion that their contributions for general animal welfare may have gone to a political party, but that is not the case."

Judges give ultimatum to rebel vicar

James Melkie

A CHURCH of England vicar was told by judges yesterday to drop his "untenable, unsustainable" claim that the Queen had broken her coronation oath by allowing the ordination of women as priests.

The Rev Paul Williamson, who argued the Queen was unlawfully led into agreeing the Church's "theological heresy", was warned that his submissions to the High Court were full of "legal heresies".

Lord Justice Simon Brown and two other judges in the Court of Appeal unanimously agreed that the arguments of the "sincere and determined" cleric were "hopeless" and should be abandoned.

He warned the 47-year-old vicar of St George's, Hanover, Middlesex, that his numerous legal challenges were "abusive and vexatious" and the judgment should be "positively the last litigious venture in this field".

Lord Justice Brown said he could not express a view on theological heresy "but I say with confidence that his submissions to this court were full of legal heresies". Lord Justice Morritt said: "It is England's law that the Church in Wales decide whether to ordain women priests later this month. A previous attempt in 1994 failed when the House of Clerics did not have the necessary two-thirds majority.

bit of notice. They can clap me in irons. I am here for Christ, not their silly witterings." He intended to pursue his case to the House of Lords and the European Court if necessary.

The judges considered applications in five separate cases where Mr Williamson was trying to overturn High Court orders dismissing his challenges to women's ordination.

Mr Williamson argued that the "politically correct" decision by the Church of England had flouted ecclesiastical law.

The Church had used a "wretched piffing" canon to introduce women priests with the agreement of Parliament, but it was legally impossible for the Queen to agree to any measure that breached her oath to "preserve inviolably" Church doctrine.

Mr Williamson said: "Your lordships face the choice of regarding the oath as a decorative piece of medievalism or accepting what I say."

Part of the coronation oath administered by the Archbishop of Canterbury on June 2, 1995, asked: "Will you inviolably the settlement of the Church of England and the doctrine, worship, discipline, and government thereof as by law established in England?"



'I am here for Christ'... The Rev Paul Williamson outside the Appeal Court yesterday. PHOTOGRAPH: JEFF MOORE

Ministers in drive to stamp out slur of classroom racism

More than a decade of Tory attacks on 'loony left' inner city programmes are now being reversed, reports **Donald McLeod**, Education Correspondent

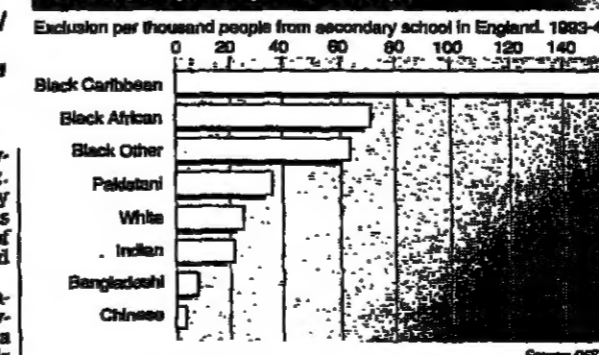
CONSERVATIVE ministers yesterday reversed more than a decade of attacks on "loony left" classroom policies and instructed schools to adopt anti-racist and multi-cultural programmes to help students from ethnic minorities.

The move infuriated Tory backbenchers but was welcomed by teachers as a return to the equal opportunities policies of the Inner London Education Authority (ILEA) abolished by the Thatcher government.

"Colour blind" policies in schools had failed to tackle inequalities, and the performance of African and Caribbean pupils — six times more likely to be expelled than their white peers — was of particular concern, said a report from the Office for Standards in Education (Ofsted) published yesterday.

In the past 10 years there had been dramatic improvements in exam results among some minority groups such as Bangladeshi children in inner London, but the gap between

Exclusion from school



the highest and lowest achieving groups was growing. Asian pupils were most likely to be bullied, and there was an "unusually high degree of conflict between teachers and African-Caribbean pupils".

Cheryl Gillan, the Education Minister, said the Government would pursue a range of initiatives in schools in collaboration with the Commission for Racial Equality, including ethnic monitoring and schemes to tackle racial stereotyping. "Some ethnic minority pupils do extremely well but others achieve less than they could. This is a real cause for concern. The Government takes it very seriously and is determined to tackle it."

Harry Greenway, a Conservative member of the Commons education committee, said: "It is right to have a desire to be fair to all, but the way to achieve that fairness is giving everyone equal treatment."

The National Union of Teachers, however, said the Government was adopting

School health checks to focus on 'deprived' children

David Brindle, Social Services Correspondent

PARENTS can no longer expect their children to have a health check at school, the Government has admitted.

The Department of Health said the school health service had become more selective and was concentrating on functions including provision of a safety net for children from deprived backgrounds.

School nurses' leaders reacted angrily. They said changing family structures meant they were needed more than ever. Sue Botes, professional officer at the Health Visitors' Association, which represents school nurses, said: "It is just dire that this

is what they are saying: the availability of somebody for all school children to go to is absolutely crucial." There is no legal requirement for a school health service and it has been regarded as a soft touch for cuts in recent years.

Tower Hamlets, the London borough praised by inspectors for boosting improvements among poor Bangladeshi children, said its £8 million English language programme was in jeopardy because ministers were dithering over funding.

Clarke angers Tory sceptics

Michael White, Political Editor

THE Chancellor, Kenneth Clarke, yesterday tweaked the Tory Eurosceptics' tail when he said that it was "far more likely than not" that a European single currency would come into being in the next five years — and breezily dismissed "irrelevant" talk about the merits of federalism.

Mr Clarke was speaking after 15 of Britain's most senior industrial leaders wrote to yesterday's Financial Times warning John Major's cabinet not to give in to rightwing pressure and rule out British membership of such a system in the coming 1997-2002 Parliament.

Mr Clarke said that the businessmen, all heads of big companies, were defending "our patriotic interests" — a choice of language further designed to provoke his critics. He spoke as Labour's foreign affairs spokesman, Robin Cook, also invoked the merits of a single currency — provided it could be achieved on a "level playing field".

Rightwingers like John Redwood were infuriated by yesterday's intervention from the big boss of the Confederation of British Industry, whose huge global markets make them more sympathetic to the case for creating a "Euro" to replace EU national currencies. They want Mr Major to say no now and make the issue an election winner.

In contrast to some anti-federalist colleagues the former Welsh Secretary is seeking to use next month's Tory conference to plead for party unity, but his idea of unity is also anti-single currency.

Touring in the North-west yesterday, Mr Major said the FT letter was simply restating what "has been government policy for a long time" — without acknowledging the pressure on him from the Thatcher-Goldsmith wing to move further to the right.

Mr Clarke, typically, went further. Though the Euro might not meet its scheduled 1999 launch date it would be up and running "somewhere around the end of the century", he said on Radio 4's Today. He repeated at a party press conference: "There's a lot of irrelevant talk here about this myth of federalism."

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Action over 'slap' father defended

Victoria Clark

SOcial services chiefs in Staffordshire yesterday defended their actions over a teacher who spent 15 hours in a police cell and two months banished from his home after his 12-year-old son told police he had hit him over the head.

The boy's father, a 43-year-old from Uttoxeter, admitted slapping the boy to stop him tormenting his younger brother. After being charged with assault, he was forced to live with his parents in Liverpool and had to drive 5,000 miles in nine weeks to maintain contact with his wife and other children.

Yesterday he blamed social services, who were called in by police to interview him and his son. "They put my son on a pedestal. They bent over backwards to believe anything he said. They even told me I didn't love him. How could they say that?" he said.

He said his son "had been warned he would be smacked if he carried on misbehaving. He tried to kick me so I slapped him on the side of the face and told him to go to bed. It was not a hard blow."

Hours later, the man was arrested by four police officers at 2am on June 23. After he was charged, social work-

ers said they believed the slap had been above reasonable force for chastisement.

Yesterday Staffordshire social services said: "We are bound by statute to see what can be done to promote the welfare of the child involved. We do not say a father should not smack a child, but suggest smacking is a last resort. He could have stopped giving him pocket money or sweets or watching TV."

"The decision to prosecute is not taken lightly."

This week the Crown Prosecution Service decided it was not in the public interest to pursue the case. The boy withdrew his statement and his father was bound over for a year.

Yesterday he said: "I do not blame him (my son). I blame the social workers for allowing this to get to court. I have no previous criminal convictions yet I have had to live away from home for 11 weeks. I stuck to my guns because I knew I was innocent, but the whole thing got completely out of hand."

A spokeswoman for the Children's Society said: "Parents are feeling rather lost about what they can and can't do these days. But if we're focusing on the interests of the child we're probably getting it right most of the time."



Meditation among the scaffolding... Buddhists yesterday at the Eskdalemuir temple where cracked beams threaten to make the roof unsafe

PHOTOGRAPHY: MURDO MacLEOD

Scientists make 'landmark' discovery of repair gene

Tim Radford
Science Editor

British scientists have isolated a gene that plays a key role in repairing the damage done by cancer-causing ultraviolet rays and tobacco smoke.

The identification of the gene, XPF, is described as a landmark. A team from Imperial Cancer Research Fund laboratories, working with Dutch and US colleagues, sees the gene as a key piece in the jigsaw puzzle of what are known as "repair genes". These genes control the production of enzymes that highlight, chop out, and repair damage to the DNA in the cell. Cells often mutate as they divide: if the mutations are not scrapped, they may multiply uncontrollably, causing cancer.

The scientists — who report their discovery in the journal *Cell* today — isolated XPF by studying a rare disease, xeroderma pigmentosum, which makes people ultra-sensitive to sunlight and especially vulnerable to skin cancer. The discovery may in future lead to more effective treatments for cancer, but at the moment it raises as many questions as it answers.

Dr Rick Wood of the ICRF said yesterday: "We have started to study the enzyme and we know that it always cuts the DNA in the correct place and at a set point away from the damage." "But it is not smart enough to do this without instructions, because it is really only a pair of scissors. Somehow these scissors are guided to the right place by other proteins. Understanding how that works is the next step."

Faulty temple will be born again, say Buddhists at £200,000 appeal launch

Duncan Campbell
Crime Correspondent

A POLICE officer, who was sacked by the Metropolitan Police 14 years ago after a row over an off-duty drinks and blue film party, has been offered £95,000 compensation. The offer comes as two police-women accepted a compensation payment following a dispute over pin-ups in their station.

EUROPE'S largest Buddhist temple faces a testing karma, writes Brian Clouston. Cracks in concrete beams supporting the roof of the 10-year-old shrine at Eskdalemuir in the Scottish Borders have forced the community of 100 monks and nuns to launch an international rebuilding appeal for £200,000.

So serious is the situation that the leaders of the Samye Ling settlement have abandoned their traditional faith in volunteer labour and sought assistance from the design engineers, Ove Arup. The emergency work has badly disrupted temple life, with the encroaching hard-hat areas at times obliging

shaven-headed worshippers to conduct their rituals on a stairwell and in a relics room. The main body of the shrine is now a honeycomb of scaffolding and steel girders. The crisis is viewed philosophically by a community whose spartan lifestyle still attracts a six-month wait-

ing list. The abbot, Lama Yeshe Losal, said: "It teaches us the impermanence of everything; nothing remains forever." He is serenely confident that the temple's 40,000 annual visitors will answer the financial call. Responsibility for the flawed materialism is glossed over in the appeal

literature. The ruptured beams' new steel sleeves have meant the destruction of much beautiful painted plaster work. But years of dedicated artistry have not turned to dust. The gilded fragments have been swept and preserved for use as the foundation of a future building project.

Met offers £95,000 to PC dismissed after complaining about blue film party at station

Duncan Campbell
Crime Correspondent

A POLICE officer, who was sacked by the Metropolitan Police 14 years ago after a row over an off-duty drinks and blue film party, has been offered £95,000 compensation. The offer comes as two police-women accepted a compensation payment following a dispute over pin-ups in their station.

The longest-running compensation saga in the police began in 1982 when PC Gordon Warren declined to attend an all-night drinks party at Sutton police station because he did not believe such an event should be taking place on police premises. He made his disapproval known to superior officers. He claims that, as a result, he received an unfavourable report and it was suggested he had mental problems.

He was subsequently dismissed. Since then, he has spent £30,000 in legal costs in fighting for compensation and recognition from the Met that it had acted wrongly in dismissing him. He has received a personal apology from the present commissioner, Sir Paul Condon, and offers of recompense — the latest being £95,000. "I cannot accept it as fair," said Mr Warren last night. He added that he was seek-

ing £150,000, based on half what he would have earned if he had not been dismissed. "It's never just been about money, because no amount of money can give me back the lost years," said Mr Warren, who was a fast pursuit driver while in the police. He has the backing of the Met branch of the Police Federation. In Greater Manchester, two policewomen, one a sergeant and the other a constable, are

understood to have received £1,000 each in settlement of an action which arose more than a year ago. It started when they complained about a poster put up in their local station advertising a dance troupe called Sex On Legs, who were appearing at a police charity "gentleman's evening". The women's complaint was investigated by a senior officer, but they were unhappy with the way in which

it was done. They accused the officer of harassment, bringing a sex discrimination case with the support of the federation. The senior officer launched a counter-claim of malicious slander against the women. Last night, a spokesman for the Greater Manchester branch of the federation said that a settlement had been reached but its terms precluded any comment by the parties involved.

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6 WORLD NEWS

Juppé cuts tax but not much ice

Paul Webster in Paris

THE French government's attempt to win popularity and buy a way out of recession with 23 billion in income tax cuts for next year appeared to have flopped yesterday against a background of internal rightwing scepticism and trade union militancy.

The prime minister, Alain Juppé, whose job is on the line after union threats of a "hot autumn" outlined on television next year's general and welfare budgets, which could be decisive in the 1998 general elections. He promised a further reduction of 26 billion in income tax by 2001.

But the Gaullist leader's plans intended to stimulate spending, were treated coolly by rightwing rivals who believe that he shelved promises of bigger cuts to meet European single currency convergence criteria.

The tax cuts, intended to reduce contributions from the highest and lowest income brackets, will be offset by higher VAT and other indirect taxes. Even before Mr Juppé's broadcast the franc had dropped sharply against the German mark.

Earlier, Mr Juppé's Gaullist predecessor, Edouard Balladur, made little secret of his scepticism by saying that the government needed to approve tax reductions of about 15 billion to relaunch an economy hit by a falling growth rate. That figure is equivalent to the rise in tax revenue since Mr Juppé came to power 15 months ago.

Implying that higher levies were behind the fall in consumer spending, Mr Balladur, head of a powerful coalition lobby, said it was time that the government defined

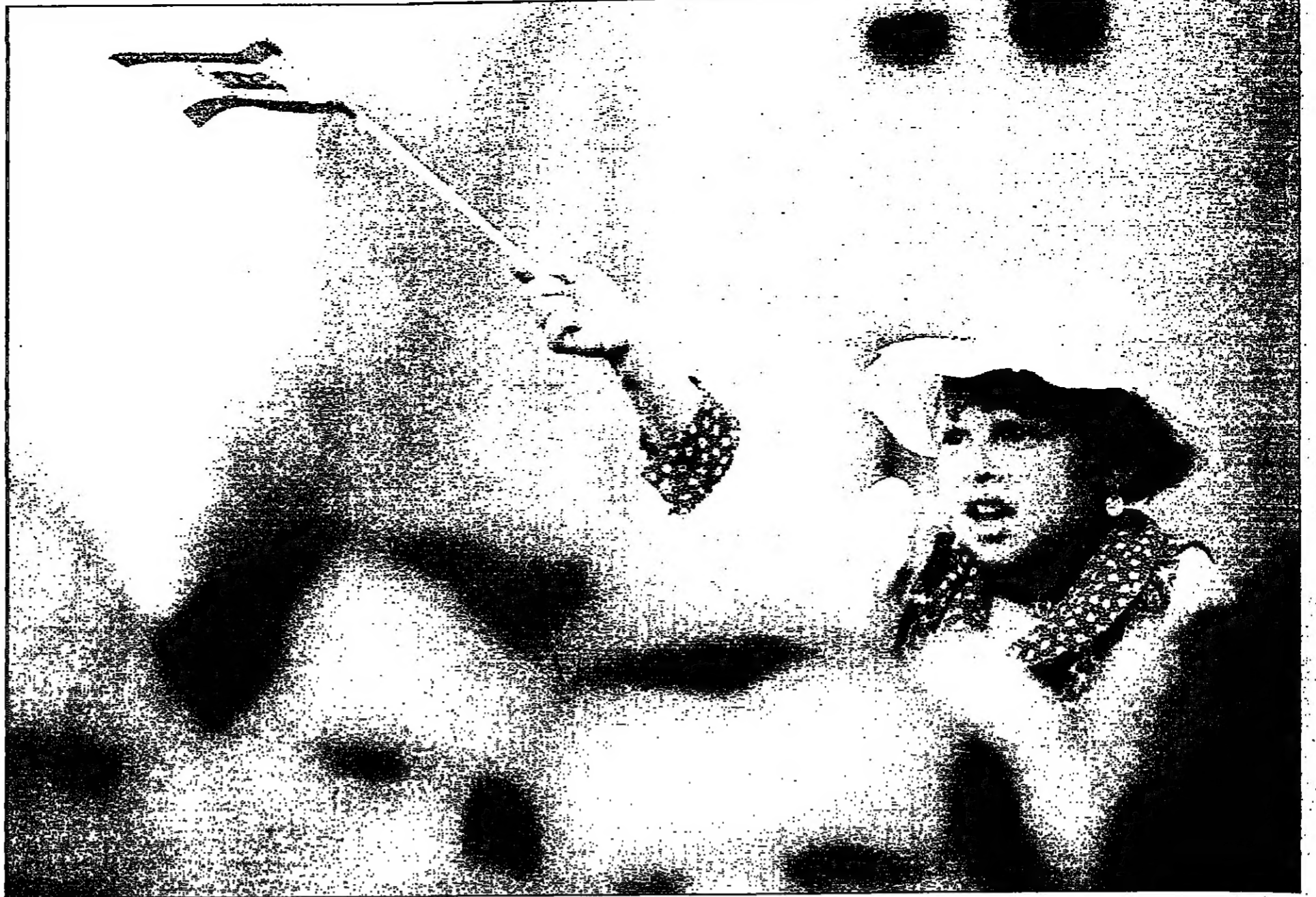
"clear objectives". His lack of enthusiasm was echoed by leaders of the Union for French Democracy (UDF), the coalition partners.

The main critics, François Léotard, a former defence minister, and Alain Madelin, sacked as finance minister a year ago, expressed reservations after talking to Mr Juppé. A UDF spokesman, Ladislas Poniatowski, said the prime minister had to take risks if he wanted to bring back confidence. However, the independent former prime minister, Raymond Barre, gave unequivocal approval to Mr Juppé's plans.

Rightwing doubts will encourage the leftwing opposition to put more pressure on Mr Juppé. A lukewarm compliment from Jacques Chirac, circulated by an Elysée aide, is being seen as proof that Mr Juppé is tolerated only because there is no more suitable replacement.

The president reportedly remarked that Mr Juppé was doing the best he could but had no contact with the electorate. He indicated that he had considered replacing him with the national assembly Speaker and anti-Maastricht campaigner, Philippe Séguin, but that this was unacceptable to Germany. The return of Mr Balladur was ruled out because he was "impossible to live with".

The leader of the Communist CGT union, Louis Viannet, has pledged to work hand-in-hand with the Socialist-led CGDT and the autonomous Force Ouvrière to co-ordinate national strike action. The FO leader, Marc Blondel, said "all the ingredients were ready for a general explosion" over unemployment, welfare cuts and pay freezes. "We would fail in our duty if we don't get together."



A Bosnian girl waves a flag for President Alija Izetbegovic's Party of Democratic Action at an election rally in Lukavac, 10 miles west of Tuzla

PHOTOGRAPH: AMEL BERIC

Bosnia monitors 'failing to make poll checks'

Julian Berger in Sarajevo

THE international organisation supervising Bosnia's elections came under fire yesterday for cutting corners in its rush to stage the poll, after it was revealed that 150,000 in campaign funds had been given to a Serb extremist group headed by a suspected war criminal.

Critics of the Organisation for Security and Co-operation in Europe (OSCE) said the decision to issue a grant to the Serb Unity Party run by Arkan, a notorious paramilitary commander, was symptomatic

of the OSCE's eagerness to "rubber-stamp" the elections.

Diplomats say the OSCE has come under intense pressure from the United States to hold the elections on schedule — despite innumerable violations of campaign regulations by all sides — to allow at least a partial Nato withdrawal. The Clinton administration sent more than 20,000 troops to take part in the peace implementation force and has promised to bring them home by the end of the year.

Christopher Bennett, an analyst monitoring the elections for the independent interna-

tional Crisis Group, said money was being disbursed without checks on how it was being used.

"They just want to tick another box which will prove the elections are free and fair," he said. "The money would have been better spent on ensuring opposition parties got equal access to the official media."

OSCE officials say the money has been distributed to all the political parties for advertising and office expenses so that there is a "level playing field".

But one OSCE employee in Sarajevo said yesterday: "Frankly, the quality of the people here is varied. They've all been sent in by their governments and I'm not sure whether we have enough qualified staff to monitor what is being done with our money."

The Serb Unity Party has used OSCE funds to print pamphlets advocating the partition of Bosnia and the formation of a pan-Serb army, in contravention of last December's Dayton peace accord.

Arkan — whose real name is Zeljko Raznjatovic — has been named by the US government as a war criminal.

The OSCE can fine parties by refusing to reimburse campaign costs, but so far no action has been taken against Arkan's party, nor have fines been imposed on other nationalist parties for pro-partition rhetoric.

According to an OSCE document, campaign funds are disbursed according to the size and geographical reach of

each political party. The Serb Unity Party, built on the personal wealth Arkan amassed during the war, has fielded candidates across most of Serb-held Bosnia and has therefore been able to claim nearly the maximum grant permitted.

The pressure to impose elections quickly has created considerable tension within the OSCE. Its outspoken chief election monitor, Ed van Thijn, has recently criticised the conduct of the campaign, despite US and European

Union efforts to persuade him to tone down his comments. Colleagues say Mr Van Thijn, a former Dutch interior minister, will resign if attempts are made to dilute his authority to judge whether the elections, on September 14, have been free and fair.

Under present guidelines, the OSCE's election commission, headed by a US diplomat, Robert Frowick, will assess the count.

Mr Thijn's job is to monitor the overall fairness of the election and recommend whether it should be certified to the OSCE's chairman, Fla-

vio Corti, the Swiss foreign minister.

Those guidelines are due to be reviewed at high-level diplomatic meetings over the weekend.

"There is a certain amount of panic that Van Thijn is going to give the thumbs down on the election," said a European diplomat. "At the moment he is saying he has a written mandate from the chairman-in-office and, if they try to change that, he will become a very short-term observer. He will resign."

Melissa Fleming, a OSCE

spokeswoman in Vienna, said the process by which the elections would be assessed had not yet been "totally solidified".

In practice, Mr Van Thijn's ability to judge the ballot has already been undermined. His spokesman, Alessandro Rosati, said only 850 of an expected 1,200 international election monitors are likely to arrive in Bosnia in time for the poll because of last-minute cost-cutting by several governments. He did not say which countries were to blame for the shortfall.

Hit squads dog Spain's ex-PM

Adela Gooch in Madrid

SPAIN'S supreme court yesterday postponed a decision on whether to interrogate the former prime minister, Felipe González, about death squads which targeted suspected Basque terrorists while he was in power, leaving nagging questions about his possible involvement.

The court agreed to hear the appeals of victims' families against an earlier judicial finding that there were no grounds to question Mr González.

The hearings will take about a month. The court will then examine charges by former security chiefs and a former Basque socialist leader that Mr González knew about — and tacitly authorised — the activities of the self-proclaimed anti-terrorist liberation groups, GAL, who were responsible for 27 killings between 1983 and 1987. Mr González has

repeatedly denied the accusations.

The decision is a blow not only to the Spanish Socialist leader but also to the government which appeared keen to bury the matter.

Most Spaniards polled believe Mr González concluded a secret pact with his conservative successor, José María Aznar, to deflect attention from GAL in return for an easy transition to government.

A cabinet decision last month not to release secret service papers about GAL to the courts has provoked accusations of a cover-up.

GAL and a series of corruption scandals hanging over Mr González have been blamed for his weak performance in opposition.

His first interior minister and the junior minister responsible for counter-terrorism are awaiting trial for creating GAL together with the Civil Guard general running operations in the Basque country.

'They just want to tick another box to prove the elections are free and fair'

atic of the OSCE's eagerness to "rubber-stamp" the elections.

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Christopher Bennett, an analyst monitoring the elections for the independent interna-

World news in brief

Top Bavarian infuriates Prague

BAVARIA'S rightwing prime minister yesterday ordered the Czech Republic to negotiate directly with ethnic Germans expelled at the end of the second world war and warned that otherwise he would veto a declaration of reconciliation between the two countries, reports Ian Traynor in Bonn.

Edmund Stoiber sparked outrage in Prague with his statement, which worsened the feelings of fear and mistrust which Czechs still harbour towards Germans.

He timed his ultimatum to coincide with a visit to the Czech capital by Germany's president, Roman Herzog, intended to help thaw the frosty relationship.

In retaliation for Hitler's occupation and partition of then-Czechoslovakia from 1938, the Czechs forcibly expelled up to 3 million ethnic Germans at the end of the war, a programme endorsed by the Allies.

The wartime wound has never healed and since the revolutions of 1989, both sides have been seeking a rapprochement. Their foreign ministries have been working on a joint declaration for more than a year. On Wednesday, the Czech president, Vaclav Havel, blamed Germany for holding up the accord.

Most of those deported settled in Bavaria after the war, and Mr Stoiber's Christian Social Union, part of the coalition government in Bonn, is their strongest lobby.

Man accused of World Trade Centre blast found guilty of plotting to bomb 12 American airliners

A MIDDLE East militant who allegedly masterminded the World Trade Centre bombing was convicted yesterday with two other men of plotting to blow up 12 United States commercial airliners in two days in 1995.

Ramzi Yousef and co-conspirators Abdul Hakim Murad and Wali Khan Amin Shah were convicted on all charges in a nine-count indictment and face mandatory life sentences.

Yousef still faces a further trial over the 1993 World Trade Centre bombing.

Prosecutors say the plan to blow up the American airliners in Asia was hatched in the Philippines, where Yousef turned his Manila flat into a makeshift bomb factory.

The scheme was never executed, but a passenger on a Philippine Airlines flight to Japan was killed in a December 1994 bombing de-

scribed by prosecutors as a test run.

The jury reached its verdict on its third day of deliberation.

Prosecutors said the planned series of attacks on the jets would have killed 4,000 people heading to Los Angeles, San Francisco, Honolulu and New York City. The intention was to force the United States to pull out of the Middle East and to withdraw its support for Israel. — AP.

Pol Pot loyalists seize village

KHMER ROUGE guerrillas loyal to Pol Pot have attacked and seized a village in north-western Cambodia from a breakaway rebel faction, driving several hundred inhabitants into Thailand, writes Nick Cumming-Bruce in Bangkok.

The attack was the first serious clash between Khmer Rouge hardliners and dissidents who last month joined Pol Pot's former associate Ieng Sary to seek peace with the government. The raid will test Phnom Penh's promises of co-operation with the dissidents.

Occasional shelling could be heard in Chup Koki village for several hours yesterday, before the defenders withdrew across the Thai border. Their commander said he had offered no resistance and there were no immediate reports of casualties. The Khmer Rouge rebels

are now waiting to see if the government will respond with an attack on Pol Pot's loyalists, as discussed in recent weeks.

The attack came as Cambodia's joint defence ministers, Tea Banh and Tea Chamrath, met Ieng Sary for the first time, to discuss a possible royal pardon and the integration of his group.

Speaking after yesterday's talks in Thailand, Tea Banh said: "We held frank discussions in a good and sincere atmosphere. We agreed to consider amnesty for him."

Later, the Cambodian first prime minister, Prince Norodom Ranariddh, urged two top Khmer Rouge leaders still allied with Pol Pot to join the government.

He said the defection of the group's nominal leader, Khieu Samphan, and its defence chief, Son Sen, was needed to bring peace.

Burundi army attacks Hutus

Burundi's Tutsi-dominated army mounted an assault on Hutu rebel forces yesterday, trying to drive them from hills overlooking the capital, Bujumbura, an army spokesman said.

Hutu peasants fled from the hills to temporary camps on the outskirts of Bujumbura to escape the third consecutive day of fighting. — Reuter.

President ousted Madagascar's President Albert Zafy announced his resignation yesterday after a constitutional panel upheld a move by parliament to oust him. — AP.

Strip teach

More than 1,000 teachers walked naked or almost naked through the streets of New Delhi yesterday to make the point that lack of pay has left them with nothing. — AP.

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IRAQ CRISIS: Britain praised as Rifkind snipes at France • Ankara urged to go it alone • Baghdad media cools down

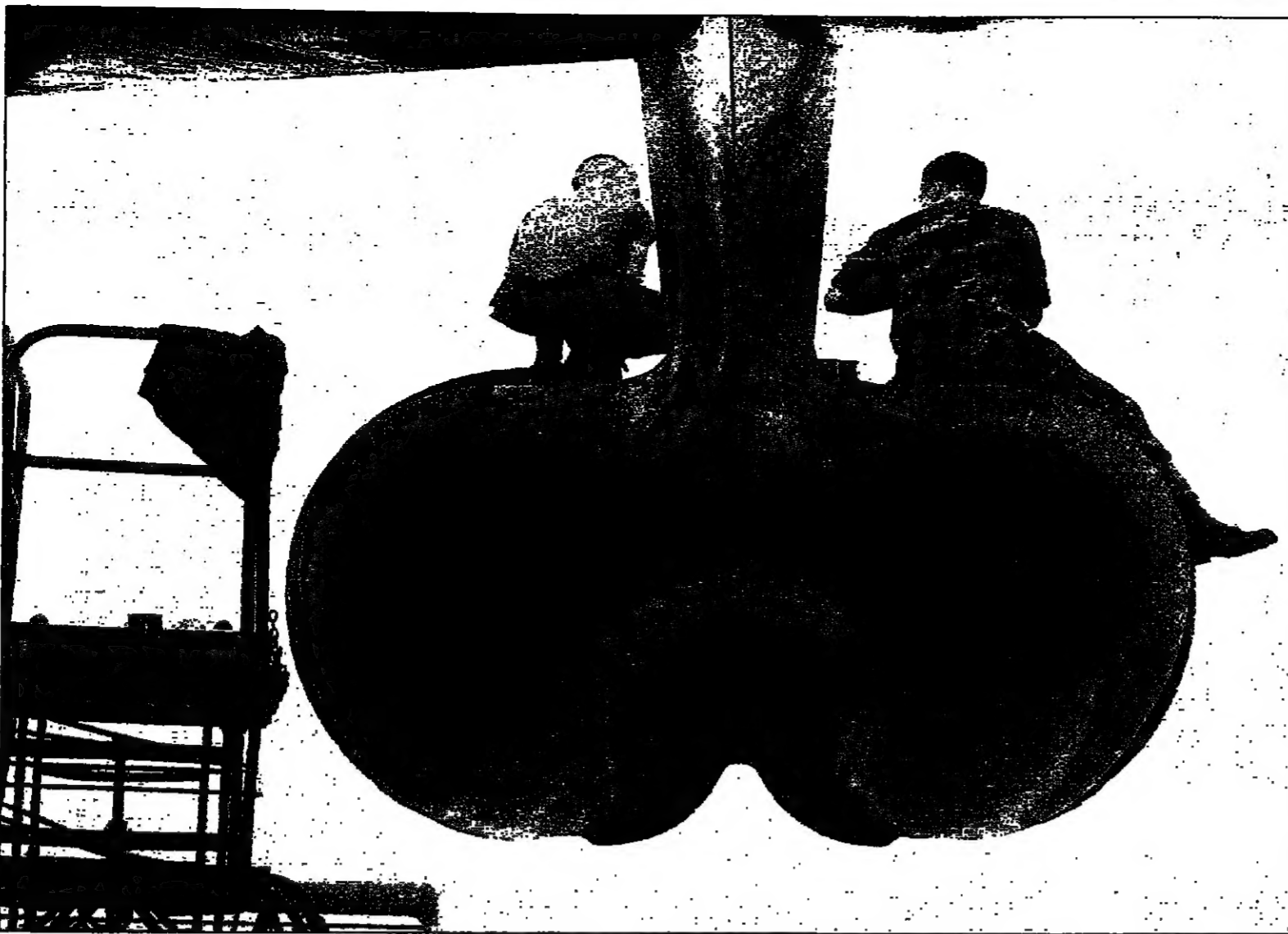
Isolated allies sing mutual praises

Ian Black Diplomatic Editor

THE United States yesterday hailed Britain for its "unstinting" support for cruise missile attacks against Iraq as the two countries agreed to patrol the extended no-fly zone over the south of the country despite France's refusal to take part.

French planes will continue to participate in the post-1991 Provide Comfort and Southern Watch surveillance missions in the north and south of Iraq but will not operate beyond the 32nd parallel, the extension that takes the southern zone close to Baghdad.

attacks, insisting they flowed from United Nations resolutions which had to be seen collectively. Resolution 688 demanded an end to Iraqi repression but did not authorise action, though resolution 678 authorised all necessary means to "restore international peace and security."



A United States B-52 Stratofortress is checked at Andersen Air Force base in Guam after launching cruise missiles into Iraq PHOTOGRAPH: EFRAIN GONZALEZ

'Disdained' Turkey counts its losses

Ankara resents not being consulted before the raids, which it feels had little to do with protecting Kurds, writes David Hirst

TURKEY'S leftwing opposition leader, Bulent Ecevit, has described American policies on Iraq as "bankrupt" and said that Turkey, as a victim of them, should develop an independent policy.

instance of America's disdain for a trusted ally — its failure to consult Turkey or take its interests into account.

Turkish exasperation focuses on an immediate and tangible question: Iraq's food-for-oil deal with the United Nations, which should have come into effect this month, but which the US wants to put off.

official said, pointing out that Turkey stood to be Iraq's main supplier. "We have supported the coalition against Iraq, and still do, but we have made sacrifices too. Losing about \$27 billion [\$17 billion] overall since sanctions began."

Nor does Turkey like the arbitrary extension of the "no-fly zone" in southern Iraq, partly because it seems likely to portend a greater US attachment to Operation Provide Comfort — designed to protect Kurds in north Iraq.



Tansu Ciller: has declined to condemn or support US

Pro-government press tones down war talk and zooms in on world reaction to missile raids

Leon Barkho in Baghdad

IRAQI newspapers yesterday toned down their defiant rhetoric, a sign that Baghdad may avoid escalating its military confrontation with the United States, at least for the time being.

Yesterday, Iraq's state-run radio and television were slowly switching to normal programmes after broadcasting patriotic songs and commentaries urging Iraqis to rise against the "criminal Bill Clinton and his vicious aggression" continuously for three days.

accused of involvement in recent food riots blamed on the Baghdad government. The Jordanian information minister, Marwan Mousasher, said yesterday that the accused included 38 known political activists, many linked with a local pro-Iraq party.

Racist language brought to book

Richard Moore in Johannesburg

THEY say robots for traffic lights, brass for barbeque, taxi for minibus, teatime for cafe, and cafe for corner shop. And, to frustrate foreigners, "just now" means "not quite now but soon enough."

The 825-page work is the fullest ever record of how South Africans speak what is now just one of 11 official languages but is rapidly becoming a lingua franca.

Summit angers hardline Jews

Shyam Bhatia in Jerusalem

SECURITY has been heightened around the Israeli prime minister, Benjamin Netanyahu, following his controversial summit at Gaza's border crossing with the Palestinian president, Yasser Arafat.

fat and would seriously damage Israel's interests. Reactions among Jewish settlers, 80 per cent of whom voted for Netanyahu, were even stronger. Their leaders held an emergency meeting on Wednesday night to discuss the implications of the Arafat-Netanyahu handshake.

Advertisement for Philip Larkin's book 'The Tiddler'. The text reads: "They fuck you up, your mum and dad..." Oliver James, clinical psychologist and author, explains why Philip Larkin was right all along. The Tiddler: A little bit extra every Sunday in The Observer.

Advertisement for CGA Direct home or motor insurance. It features the text: "FREE Parker Pen when you call CGA Direct for home or motor insurance. 0800 525 200 Monday - Friday 9am - 9pm Saturday 9am - 4pm CGA DIRECT".

Large vertical advertisement on the left side of the page, partially obscured. It includes the words "checks", "MELE", "TER", "sework", "YEAR", and "OVER".

In the national interest?

Consulting the UN cannot be an optional extra

THE IRAQ CRISIS is now on the table of the Security Council — where it should have been from the start. But the United Nations is being called in well after the event, in conditions which can only further reduce its already slighted authority. Statements made by the US and Britain have blithely disregarded its Charter. Among friends in the Pentagon on Wednesday, the defence secretary Michael Portillo praised the US use of cruise missiles as "moderate and proportionate". International law approves the use of "proportionate" force, but only in circumstances covered by Article 51 of the Charter where an armed attack has taken place against a UN member, and only if the action taken does not derogate from the authority of the Security Council. Was the US under attack last week in Arbil — or another member state? The reality was that Iraq was under attack by Iraq: a difficult situation to deal with, but not one for which the principle of proportionate response can be invoked. Nor was any attempt made by the US to place the crisis immediately before the Security Council and seek international agreement before action was taken. The UN was simply ignored. Yesterday the Foreign Office argued that although Resolution 688 (on the Kurdish areas) does not authorise action by member states, it has to be read "collectively" with other resolutions. If this is the grand rationale, why has it only just been discovered?

It may be argued that there was no time for international legality: a humanitarian crisis (as the British have claimed) was looming which could only be deterred by the instant use of force. The US administration has not itself offered this reason: it has been quite frank about the main reason for launching the missiles. This has to do with defending US "national interest", de-

fined in broad terms which connote the need for a superpower not to be faced down by a regional tyrant. But the US does claim that its intervention forced Saddam to withdraw. On Monday he was, according to Washington, refusing to do so (though observers on the spot said that withdrawal had begun). By Wednesday, according to Washington, he had done so (although observers now say that it is incomplete). Cause and effect are hard to distinguish in this murky area. The French argue that a partial withdrawal had begun as the result of diplomatic pressure, which should have been maintained instead of resorting to the missiles. It is a respectable argument which cannot be shrugged off because it comes from Paris. The allied offensive in the Gulf War was also launched against advice that more time should be allowed to seek a negotiated withdrawal.

If the US and Britain have such a strong case, why are they so much on their own? Warren Christopher was reduced yesterday to arguing that at least one of the other allies actually supported Saddam Hussein! His praise for Britain's "unstinting" support was embarrassing — or it should have been. Can the case for backing the US action really be so overwhelming? It is suggested that some allies approve in private while criticising in public. Those who supported the coalition intervention in 1991 were not so bashful then. Without for a second condoning Saddam's behaviour then or now, critics are entitled to argue that cruise missiles are not the right way to resolve such a complex situation on the ground. Nor can resort to the Security Council be regarded as an optional extra. If there is to be a serious commitment to a new world order — as there was supposed to be after the Gulf War — nation states however powerful must not substitute their authority for the UN.

Rugby: too big for its boots?

Anarchy rules, with the spectators caught in the middle

EVEN in these modernising times, few aspects of British and, in particular, of English culture have experienced such rapid revolutionary change as that which is currently convulsing rugby union. That rugby union should be the arena of any sort of revolutionary activity at all will come as a surprise to many. Yet today, the only word which adequately sums up rugby union on these islands is the one used this week by the British Lions' manager Fran Cotton — anarchy.

Rugby union's traditional structure and values are facing a terminal assault from commercial power, most obviously in the shape of Sky television but also, around the edges, from the sponsors and businessmen who love the game and wish to profit from its wider exposure. Faced with this, English rugby has divided into two warring camps: the traditionalists clustered around the Rugby Football Union who want to manage irresistible change without disturbing their own power, and the radicals who see the conflict as a chance to restructure the sport from the clubs' point of view. Such is the power of English rugby compared with elsewhere in these islands that the English conflict willy-nilly also sets much of the agenda for the game's future in Scotland, Wales and Ireland.

Earlier this week the turbulent process began to run away with itself and perhaps to threaten the very future of the game. On Wednesday the top players were conclusively drawn into the

equation by the club-inspired refusal of the English squad to turn out for a training session. Yesterday, England's sponsors threatened to withdraw their millions if the action was repeated, creating an even more powerful incentive for the RFU to set up yesterday's compromise with the Celtic nations over broadcasting revenues. As a result England's most popular matches, those in the Five Nations Championship, can go ahead (they hope) this season. The last thing the RFU could withstand would be a war on two fronts, against both the English clubs and the other home unions, but it is by no means certain that yesterday's deal will free the RFU to get its way against the combined might of the top clubs.

Many people couldn't care less, and it must be tempting for them simply to watch from the sidelines, sensing that the protagonists deserve one another. Yet rugby can be one of the most gripping of all sports, and it is not just the players who have been caught in the middle of this conflict but the spectators too. At international level, rugby is now immensely popular. Yet at the club level, with a few exceptions, it is not. Those who imagine that public support for the international game can be taken for granted are deluding themselves by their own greed. Rugby is on the brink of getting too big for its boots. It is time for half-time oranges and a self-critical team talk before the spectators decide that they have something better to do with their time.

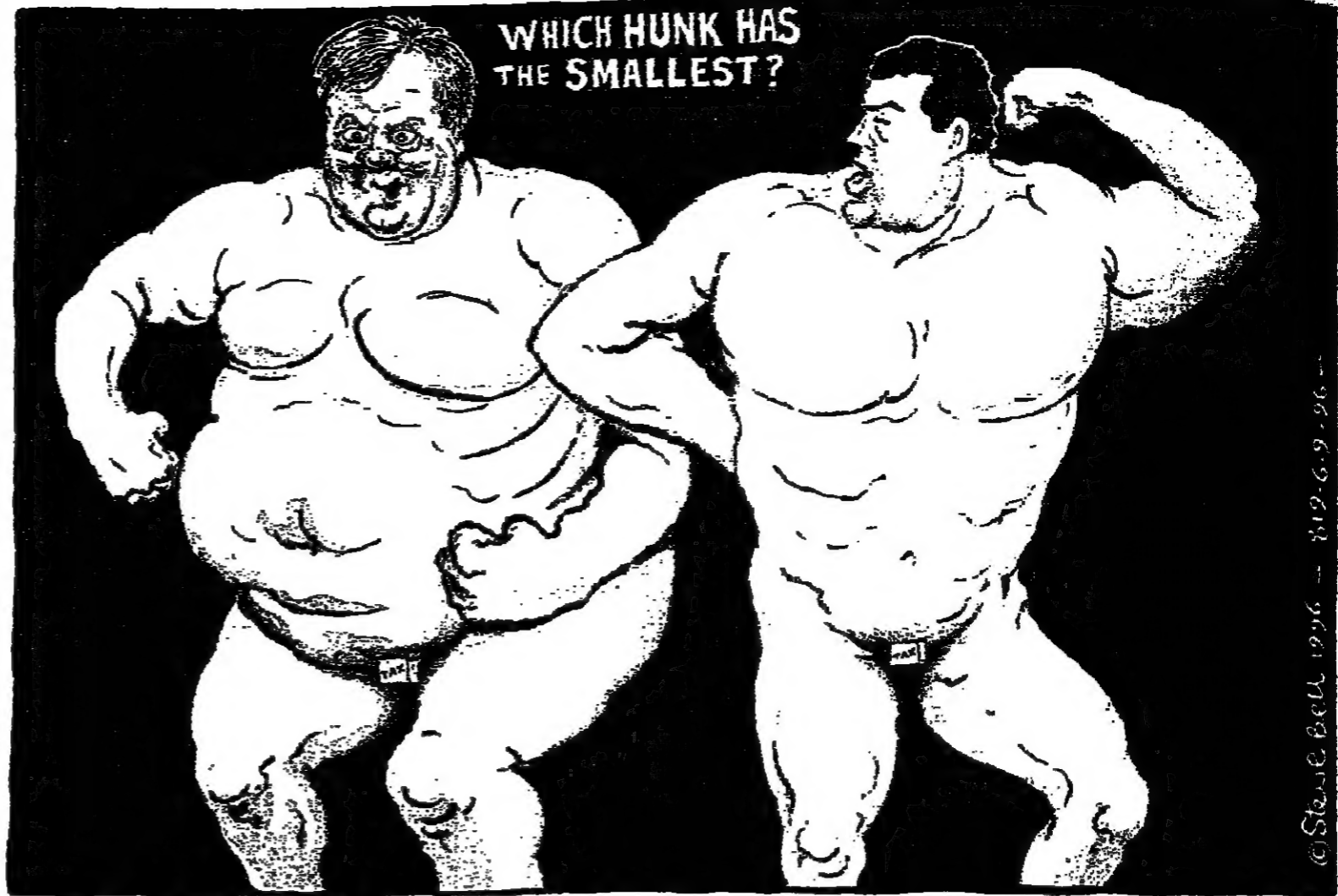
The art of crunching numbers

Or the prime pursuit of the finite in search of the infinite

FEW pursuits in this life are quite as esoteric as catching numbers in their prime. Mathematicians have been searching relentlessly for ever bigger prime numbers (those like 2, 3 and 5 that can only be divided evenly by themselves and by 1) for thousands of years as if they were looking for the Holy Grail. Unlike transpotting, which has a finite end to it, the chase for prime numbers could go on for ever because, as Euclid pointed out over 2,300 years ago, their number is infinite. So far barely 20,000 have been unmasked so there is still plenty of news value attached to discovering new ones especially if they are bigger than the last one. The latest, and greatest, was announced to the world this week by Cray Research of Wisconsin as 212207181, a number which would fill this editorial slot for several months if printed out in full. It comfortably beat the previous highest, also discovered by

Slowinski and Gage of Cray Research of 20052432-1.

Why do it? Partly the eternal search for knowledge; partly because primes are the building blocks of maths (and these days a benchmark for computer power); partly because of the mystical power that some numbers are supposed to possess; partly because they have properties that still baffle the intellect; and partly because, like Everest, they are there. In recent times the search has been given a practical boost by their growing use in cryptography to provide codes that could take even supercomputers centuries to crack. Searching for primes — the finite in pursuit of the infinite — remains one of the purest forms of pure research when such activities are becoming politically unfashionable on this side of the Atlantic. The fact that no one knows where such curiosity will ultimately lead is also its prime justification.



Letters to the Editor

The socialists speak

ROY HATTERSLEY writes: "Poverty is not sufficiently visible to make its alleviation an obvious moral necessity" (The silent socialists, September 4). This says more about the narrow, sheltered lives of politicians, commuting luxuriously to the Palace of Westminster and back, than it does about the state of the nation. I could show Roy an abundance of abject and depressing poverty which only those fastidious by hair-splitting political terminology are blind enough to ignore.

Jan Flintoff,
22 Chaldon Road,
London SW6 7NJ.

HATTERSLEY formed Labour Solidarity in the 1980s to persuade social democrats to stay within the party. It is time for him to found a similar organisation for democratic socialists? He'd find plenty of recruits in my constituency.

Simon McKeown,
10 Murdoch House,
Moodkee Street,
London SE16 1BJ.

ROY Hattersley's article was a ray of hope to the thousands of Labour Party members who are democratic socialists and in despair of the Labour leadership's constant tippy-toeing around any issue which may frighten Thatcher's children.

We long for a change in the nature of society, and it is still not too late for Labour to present clear policies to close the yawning gap between the haves and have nots.

Beryl Urquhart,
28 Estuary Park, Combswich,
Somerset TA5 2QP.

AFTER 35 years of membership and activity as a governor and councillor, I lost the Labour Party or the Labour Party lost me. I could find nothing of principle in the New Labour.

Roy Hattersley has rekindled my faith. This time I'll vote for Hattersley as leader. Better late than never.

John Godfrey,
Hillview House,
The Old Sawmills,
Dyson Lane, Risborough,
West Yorkshire HG6 4EN.

KNOW that Old Labourites like Roy Hattersley, Austin Mitchell and others are peeved because they have been sidelined by a bunch of sleek young whippersnappers who have the temerity to tell them that Old Labour has very little appeal. But I can't share the enthusiasm of your correspondents for New Labour (Letters, September 3).

I see very little difference between what Tony Blair offers and what the Tories are doing. His "get back to work" call to the London Underground drivers and the postal workers shows how sympathetic he will be to working-class militancy if he gets into No 10.

New Labour's concurrence with the Tories over union legislation, hitting the poorest sectors of society, buttering up the rich, civil liberties restrictions etc. demonstrates that the coming Labour-Tory electoral jockeying will be irrelevant to many working-class people.

Paul Flowers,
BCM 784, London WC1N 3XX.

Eurofighter soars above the needs of the sick and the poor

IT is sadly typical that the Government's decision to spend £16 billion on 333 new Eurofighters (Portillo backs Eurofighter, September 3) is accompanied by your report that Derby's new £17 million children's hospital may soon have to close due to a shortage of NHS funding (Home news, September 3).

We were told in 1991 that there would be a "peace dividend" as a result of the ending of the cold war and that education, health and jobs would be our national priorities. The Government's decision on the Eurofighter, although undeniably an expensive exercise in job preservation, shows that "defence" continues to have first call on public funds.

Graeme Cowen,
Flat 2,
Tewit Well House,
Tewit Well Road,
Harrogate HG2 8JG.

IT WAS disappointing, to say the least, that both the Labour and Liberal Democrats applauded the decision of the Government to order the Eurofighter. This massive public expenditure on an item which is of no use to the general public will create inflationary pressures as it removes resources from the general cycle of economic use.

If this public money had been spent only a few months ago on railway rolling stock then companies such as ABB in York would not have closed, their workers would have kept their jobs where they live and this country would have been getting a better public-transport system.

Traffic pollution is acknowledged as a major health hazard: an improved railway system is the only way this country will improve the quality of life. If Labour, Liberal Democrats and Tories would prefer to spend our money on supersonic fighter jets, then who will defend the interests and health of the people?

(Dr) J R Langan,
Ash Crescent,
Leeds,
West Yorkshire LS6 3LE.

SUPPOSE we should not be surprised that, in the phony war period of the election campaign, 14,000 Eurofighter jobs have been bought at such a cost, evidently worth more than miners' jobs.

It is interesting that Germany, with a much stronger economy and industrial base, is hesitating, while we, with our theme-park economy and worn-out industrial base, are

rushing in, with misty visions of 1940 and fading glory on our eyes.

And if the electoral trick doesn't work, not to worry; it won't be the first time that a Conservative government has eaten the meal and left an incoming Labour government to pick up the bill.

Mike Ellwood,
20 Morton Close,
Abingdon,
Oxon OX14 3XL.

THE £15 billion which it will cost to produce the Eurofighter aircraft will certainly give a boost to industry and jobs, but as soon as the Labour Party formulates policies for financing constructive job creation for the coming and long-term unemployed we hear the usual refrain: where is the money coming from? Taxes will have to increase. So where is the money coming from for the Eurofighter aircraft?

Joan Joslin,
Lower Brailles,
Abingdon,
Oxon OX15 5AQ.

A hangover

THROUGHOUT the 1980s I served as director of Action on Alcohol Abuse, a national campaign set up by the Conference of Medical Royal Colleges which dealt, among other things, with the targeting of young people (Alcopop off shelf as row fizzes, September 5). Among the advertising campaigns which were subsequently modified or withdrawn was one which depicted characters from Beatrix Potter.

With the demise of Action on Alcohol Abuse, achieved by the vigorous opposition of the drinks industry and the denial of funds by Government, the Portman Group, established and funded by the industry, has come to be seen as the authoritative voice on such social and moral matters as the growth of harmful drinking among young people.

The figures which the Portman Group use to support its arguments frequently come from the research unit in Edinburgh also funded by the drinks industry. We now therefore have the interesting picture of both the prosecution and the defence all appearing as part of the same happy family.

Don W Steele,
61 Mellow Lane East,
Hayes,
Middlesex UB4 8ES.

A miscellany

IT is deeply worrying that the story about the released heroin dealers (Howard defends supergrasses, release, September 2) was "taken off the airwaves after pressure from the Home Office". Does the BBC often yield to such pressure, I wonder?

Fiona Carnie,
96 Carlingcott,
Bath BA2 8AW.

JUMBO jets land at up to 100mph. The International Atomic Energy Agency proposes to let British Nuclear Fuels air-freight nuclear fuel in containers which can withstand crashes of up to 30mph (Pilots fight plutonium cargos plan, September 4).

Could BNFL please state the landing speed of the aircraft it proposes to use?

R V Hesketh,
Gathering Moss, Lower Stone,
Berkeley, Glos GL13 9DP.

TRUST that when five-year-olds are tested on entry to primary school, league tables of parents will follow.

Les Sternett,
72 Woodplumpton Road,
Preston PR4 0NE.

YOUR headline "Thatcher ready to cut ties with Conservative Party" (August 3) reminded me of an earlier one: "Fog in Channel: Continent cut off."

P B Entwistle,
10 Lowther Street, Nelson,
Lancs BB9 7TA.

JOHN Major has just described Norma as a "great asset". Does this mean she is to be sold off and stripped before the election?

Alwyn Davies,
19 Chequers Road,
Manchester M21 9DX.

IT seems that bus operators and advertisers want our journeys to work to be even more stressful, as they have introduced into some bus routes adverts with speakers delivering their unwanted messages. In London there is a "choice" now of Virgin Radio at some bus stops and barking dogs at others. What next? Tranquillisers?

Julia Thompson,
Belsize Park,
London NW3.

TAKING my inspiration from the "first cuckoo" letter, may I venture to start a similar, though perhaps less welcome, tradition in the Guardian letters page? Christmas cards went on sale in Leeds last Thursday.

Peter Turnbull,
17 St Michaels Crescent,
Leeds LS6 3AL.



Paul, you have beaten us to it

PAUL FOOT (Sir, the 4th) gives the opportunity to highlight the emotional, physical and sexual abuse in the leading public schools, and the far more important long-term sequelae afflicting the Establishment's "embryo-high-ups". They also figure prominently among the abusers of my surviving patients.

Some of Foot's contemporaries may admit to being smacked on the bare bottom (I believe they pay prostitutes to replicate such erotic trauma). But how many admit to their entire schoolboy trauma?

(Dr) Jim Phillips,
Founder, Jupiter Trust,
10 Fairways Avenue,
Norton, Stourbridge,
West Midlands DY8 2RN.

DO not know what Paul Foot is saying about flogging. It is still the norm in many Afri-

can schools. I was flogged at school and deservedly so for being perpetually late.

Judging by his current writing, I would conclude that Paul Foot probably did not have enough of the Chenevix-Trench treatment.

O G Agbim,
17 Grosvenor Gardens,
London NW11.

PAUL FOOT's Eton reminiscences remind me of a verse another old Etonian, Douglas Eggar, used to quote to me: *Flog, lecher, flog, your strokes adjust. This well your cockcock hides your riding lust!*

Dougal was "sacked" from Eton and later fought in the International Brigade in the Spanish Civil War. Not all his days there were wasted.

Martin Green,
3 Antoine Terrace,
Newlyn,
Fenance TR18 5BW.

Call waiting

BT'S response to the order issued by Ofcom to clean up its act (BT remarks were 'misleading', September 4), which criticises Consumers' Association research as "scientifically invalid", is a classic case of shooting the messenger.

We conducted two separate exercises asking very straightforward questions which any consumer would ask. We do not believe the responses were, as BT claims, "occasional lapses by our people when discussing what can be complicated issues". They were false and misleading to a degree that even surprised us.

There is, however a wider issue here. Conydition in the privatised utilities is the best hope of protecting consumers' interests. Tough regulators are essential but they are operating with one hand behind their backs until we have effective national competition rules.

Shella McKechnie,
Director, Consumers' Association,
2 Marylebone Road,
London W1A 4DF.

Listen up

BBC RADIO does not neglect children (Letters, September 5). Some 1.6 million children listen to Radio 1 and 400,000 to Radio 5 Live every week. Radio 4 maintains a commitment to quality drama for children at 7pm on Sunday evenings, although only 10 per cent of its audience is children.

Our decision to close the old Radio 5, and with it our last major push on built speech radio directly aimed at children, was to do with audiences, not economics. BBC Radio did not give up on children — children gave up on speech radio in favour of television and then videos, audio tapes and computers.

The huge success of the BBC Radio Collection audio tapes shows that children are keen listeners to well-crafted speech programmes, but they listen at their own convenience.

Matthew Bannister,
Director, BBC Radio,
Broadcasting House,
Portland Place,
London W1A 1AA.

A Country Diary

NORTHUMBERLAND. Last weekend, for the first time in my life, I joined a protest march. A walk led by retired National Parks warden, Jimmy Givens, who has spent his life in the Breanish valley. The plan is to quarry 1.5 million tons of sand and gravel on 138 acres of this valley floor over 10 years as part of a deal for extractors to withdraw from digging on the shore at Druridge Bay. Breanish is one of our county's most beautiful valleys, enjoyed by locals and visitors all year round. "I have already seen sand taken from this river bed," said Jimmy. "The water level has dropped 10 feet, there are no trout or voles left." During our five-mile walk to view the proposed extraction site, he identified two unusual wild flowers — sneezewort and yarrow — and told us that although it is not a coniferous area, there are barn owls and long-eared owls here. Not only wildlife is at stake, south of Ingram rises the hill on which are large round barrows and relics of a settle-

ment here in the first 700 years of the Christian era. Further up the valley is Greaves Ash, one of the largest of Northumberland's ancient settlements. Close by is the lovely Linhope Spout, enjoyed by hundreds of ramblers, where the water drops 50 feet into a dark rock pool hemmed in by hills. We rested on our walk below Dunsom (1,800ft) and looked down on Brough Law, an Iron Age settlement. "When they start digging whatever will they find?" said one interested spectator on the walk, a visitor on holiday from Kent. Restoration proposed by the application to quarry will be chiefly a series of lakes for angling and nature conservation purposes. The Breanish is a haven for families who visit the valley because their children are safe playing in a shallow river. Surely deep lakes and silt ponds are a potential hazard? At the end of our march, tired and hot, we were welcomed into Ingram village hall for a delicious tea.

VERONICA HEATH

Diary
Matthew Norman

TO the Punch party at Harrods. Michael Winson, same as national Paul Johnson, Little Gem Gum and so-called rival Nigel Dempster were among a galaxy of stars sipping champagne poured by Taki-George (whose opening Punch sports column — his famous "rude tennis players of today" piece — hasn't appeared in the Spectator for, oh, weeks). The party was all but over when, heading for the escalator, I was summoned by Eve Polard, TV celebrity and co-author of Inaugural Book of the Month, Splash! Although for so long an easy target for sneering critics — in all truth, Eve still has her knockers — she still has her defence: "You did wonders for the sales of Splash!" said its co-author, "and it would be lovely if you could do the same for the new one." The new one? You have it: "The new one" is called Best of Enemies, and I'll get it in the post. She clearly has no intention of paying for the publicity, so how good to note that she has finally overcome the phobia about accepting a fee for the time she spends as editor of the Sunday Express.

FROM a book of tomorrow to one of today — and to wit, the collection of humorous quotations. Compiler Des MacHale, self-proclaimed defender of the joke against political correctness and "a regular delegate at humour conferences the world over" includes three aperçus (one more than Shakespeare) from that underrated comic genius, Adolf Hitler. "Oh, I will come back from Brazil to reunite Europe," quips the Führer in the politics chapter, "but no nice-boy tactics this time".

THANKS to S Hicks of Surrey for pointing out that the Chelsea and Westminster Hospital has something called the "Marie Celeste Ward". Assuming it isn't permanently empty, what a comfort this ward must be to its patients. Press officer Jennifer Rogers explains that it is named after the ship, but a benefactress, and claims that no patient has ever expressed concern at the name. How people will feel about the name, she says, opened Bermuda Triangle Ward, we will have to wait and see.

THE death of the well-loved Rabbi Hugo Gryn leaves a space on Radio 4's The Moral Maze, and I was intrigued to note that it was filled yesterday by Mike Mansfield, the left-wing barrister. The moral labyrinth that could hold Mr Mansfield has yet to be devised, as he proved last October when solving the dilemma of whether to take his wife or mistress to a Spanish hotel. In a manoeuvre Old Testament scholars have compared, favourably, to the judgment of Solomon, Mr Mansfield took them both.

A LONG-RUNNING dispute between neighbours, in which police became involved, has been settled amicably in West London. "The reconciliation comes after Mr Edwards played the hit Wizard song I Wish It Could Be Christmas Every Day," reports the Wembley Observer. "for four hours non-stop on a blazing hot afternoon ..."

GOLGOTHAN darkness fell on New Labour yesterday, when a morning power cut took the Millbank communication HQ out of action. Mandy Mandelson wasn't around himself (he's off on one of his bank-sponsored trips, this time to America), while Oofy Weggs-Prosser wasn't answering his pager. This means, alas, that we have been unable to have it rebutted rapidly that the Escalibur computer, source of all rapid rebuttal information, was damaged in the black out, and that future rebuttals will therefore be less rapid.

A MALAGA-BASED dog-and-finder cancelled its national search for a (human) beauty queen when not a single entrant came forward. The company, which advertised the contest under the name "Bitch of 1996" remains baffled by the lack of interest.



No fatted calf for the prodigal Unesco

Commentary Peter Preston

HERE we go again, playing Little Sir Echo. Yes, Mr President. Quite right, Mr President. Whenever, wherever, whatever, the dependable ally salutes all actions great or small. By malign chance, I got a little echo of a letter from Malcolm Rifkind the other day. Or rather, to be finicky, I got a copy of a letter from the Foreign Secretary through the great loop line of the World Press Freedom Committee in Sunrise Valley Drive, Reston, Virginia.

Unesco itself organised a giant montage outside the hall castigating those among its member nations who lock up journalists and close down newspapers. China got it in the neck. China, predictably, made a huffy diplomatic storm. But nobody backed down. It was a rather brave, and historically remarkable, stand.

America and Britain stalked out of Unesco over a decade ago. Most of the British press (me included) thoroughly approved. Amadou M'bow from Senegal was far into his second term as director-general. The organisation wasn't merely too fat on expenses and too vestigial on efficiency; it had begun to operate highly politically at the cup of the cold war, constructing something called the New World Information Order — which, on examination, seemed sanctification for any flyblown dictatorship, East or West, to order newspapers to print the information the state apparatus wanted. Good riddance to menacing rubbish. But that was long, long ago. Many things have happened since. Exit M'bow; enter a notably sensible and efficient Spanish professor. The staffing levels which so incensed Mr Reagan and Mrs Thatcher

have been relentlessly trimmed back to two-thirds of their former glory. The annual regular budget has been frozen at around \$55 million year after year. Mr Mayor is fond of saying that Unesco costs no more than your average university to run. But its reach into education problems around the world hasn't shrunk with economy. Its work in advising and monitoring and co-ordinating has become a vital prop to many of the poorest

A moral crusade — the stick of righteous wrath and the carrot of self-cleansing — has become a penny-grubbing sham

countries going. Its cultural exchanges and fundings open windows to a wider world that would otherwise remain nailed shut. It cares about the despoliation of heritage sites, like the Pyramids, and moves zealously to protect them. Sir Julian Huxley, Unesco's first director-general, would recognise his successors and congratulate them. Three years ago the Commons Foreign Affairs committee looked at the reformed Unesco, found it hugely im-

proved, and recommended we rejoin. In parallel, a US State Department task force reached precisely similar conclusions for the White House. Together, America and Britain had withdrawn as the trigger for a clean-up. Triumphant strategy. Now — or rather, then — was the moment to declare success and get back on board.

"You won't, I suppose, be surprised that the White House, and thus our own Douglas Hogg (in his FO, pre-BSE mode), did not quite agree. But the wessel rhetoric has a benevolent tinge. Nothing happened, though. Nothing has happened to this day.

The World Press Freedom committee, impressed by what it saw in Paris, wrote letters to President and Prime Minister advocating membership renewal. Mr Major ferried his down to Mr Rifkind. He writes of "good progress publicly acknowledged", of "useful work in the communication field". But "there is

still scope for further reform". (Details unspecified.) Finance, however, remains "an important consideration". "Given the Government's commitment to keeping a tight rein on public expenditure, we have to weigh the advantages of any new commitments to international organisations against competing priorities for resources. A decision to return to Unesco now or in the near future would require an assessed contribution of about £11 mil-

lion. That money could only be found by cutting significantly into other activities."

Malcolm will, naturally, "keep the issue under review, in the light of progress with reform and other financial considerations". But don't hold your breath. What began as a moral crusade, the stick of righteous wrath and the carrot of self-cleansing, has become a penny-grubbing sham. Unesco, under the management we wanted, is transformed — and staltwair where it counts. The Government's old promises, meanwhile, have turned to dust. Sorry, didn't save it; spent it; haven't got it any more.

That is not quite the worst thing about this episode. The worst thing, openly admitted by Hogg at the time, is that, if America ever finds the cash to re-join, Britain will troop dutifully in behind. But the White House's own reply puts any such prospect out of court. The Republicans booted the UN and all its works at their convention last month. Mr Clinton falls silent.

Federico Mayor himself will be retiring soon. What rewards for unstinting effort has he to show to those who will elect his successor? Can nobody put their money where their mouth was? Britain may still (just) sit on the Security Council because of its renited bomb. But has it no interest in education, or science, or culture? Is a £11 million, a medium-size Lottery rollover, the minter of old pledges and great ambitions?

One cloudy night of the cruise missiles costs far more than an American decision which would transform Unesco. But that is not their calculation, so it can't be ours. Yes, Sir, Yes, Sir, Never No, Sir when it counts.

Joining Cherie in the editor's chair



Bel Littlejohn

SO if I love articles beginning with that friendly little word "so" the news is out. So the lovely Cherie Blair is editing next month's Prima magazine, bless her, giving readers the benefit of some smashing features. My favourite is How To Cook A Meal In 30 Minutes (answer: get an outside caterer), but there are also plenty of top knitting tips, and Cherie's roped in our good friend and fellow social democrat Barbara Follett to advise Elow To Make A Little Go A Long Way (answer: in it from the upper balcony).

So after Cherie's success as an editor, Peter and Alastair have been hard at work persuading all the best-loved household names on the Labour front bench to try their hands at editing a magazine. It's a great way of getting it across to "the people out there", bless 'em, that we're ordinary little people just like them — or at least we would be if we were.

So (there I go again) over the summer hols, quite a few of your favourite faces in New Labour have taken off their politicians' hats to replace them with the editor's visor. And what a success it's been! During the next few months, you're going to be seeing one helluva lot of old familiar magazines on your stands given a new look by being edited by some of the most charismatic faces in New Labour.

Take the popular men's magazine Loaded, for instance. Under Jack Straw's guest editorship, the October issue's really blossomed. Fifteen Ways To Pull A Bird gives readers the benefit of Jack's student work-experience in a giglet factory — and Jack forcefully argues that increased mechanisation of the industry under New Labour could put Britain in the forefront of European poultry production. In another dazzling feature, CWOOR! Get 'Em Off, Jack examines the work of the Commonwealth Welfare Organisation for Overseas Regeneration and how it is tackling the problem of getting aid-workers off to those countries most in need. Jack has also totally re-vamped the mag's How To Turn On Your Girl slot, so that this month readers can learn How To Turn On Your Windscreen Wipers, thus saving them undue angst from any passing squeeze merchants.

Obviously there was a little bit of a problem slotting the lovely Clare Short into the right hole. Sometimes I think

there simply isn't a hole big enough for her. It's no secret she really wanted to guest-edit the Economist or the New Statesman. But, lovely though she is, we didn't want to over-burden her with responsibility. Nevertheless, she's made a really great stab at exchange and hat with a magazine. Well done, love!

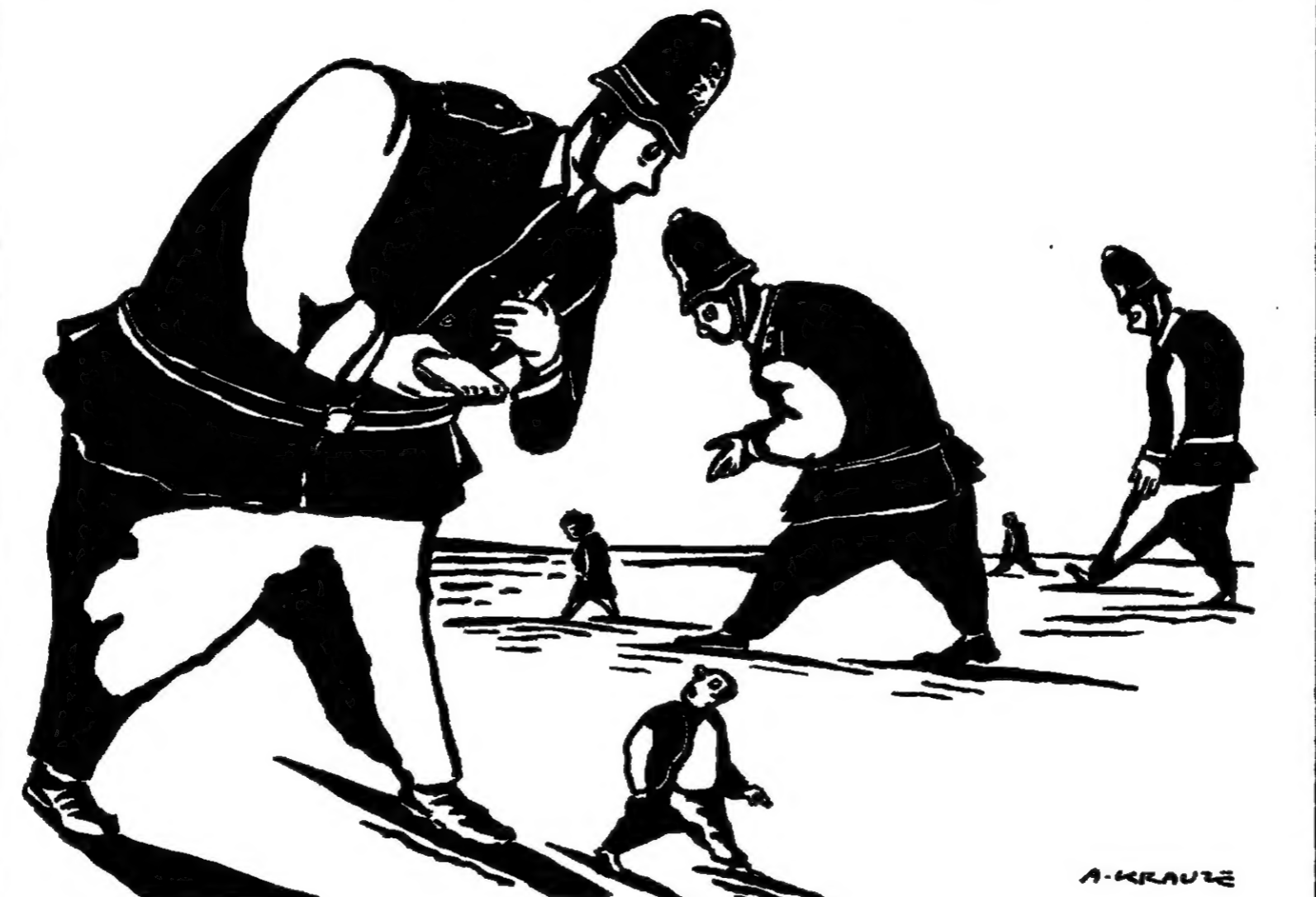
So, with the young-at-heart Gordon Brown editing Seventeen magazine ("Girls! Free Inside! Full Colour Acker Bilk Poster!"), we've tried to reposition John Prescott with a slightly more upmarket image as guest-editor of Tatler. Let me tell you, it's been a stunning success, still very much in keeping with the overall coffee-nosed ethos of the magazine, and with a lovely touch of John's down-to-earth working-class roots. The contents include My Sweet Lard: Viscountess Linley Samples Bacon Butties, a full-length profile of glamorous supermodel Kate Moss (not Much To Grab Hold On, an item on Suzzannah Constantine titled Who The Hell's She When She's At Home?, and a review of The Season, "More Money Than Sense". Fashion shots include It's Back! The Return Of The Sou'wester and a six-page tribute to the sensible shoe.

My bestest of mates, Barbara Follett, she of the great big heart, has agreed to guest-edit The Big Issue. On Barbara's instructions, for just this one month it will be forced on the homeless by people with two homes or more. "Just to give the homeless a glimpse of what they're missing," explains Barbara. She plans to make it more of a Country Life-type magazine with a strong "feel-good" factor.

"There's a solution to homelessness — and the Duke of Westminster has found it," explains Barbara. "The Duke has agreed to pose for the cover in front of just a few of his properties, giving our readers a fabulous incentive to go out and get a home or two of their own, and then perhaps let one of them out at a smashing annual profit."

SO the new Punch is out today, guest-edited by the wonderfully offbeat Michael Meacher. Sadly, Michael's plans to include a special pull-out supplement of the New Labour draft document on the future of Scottish devolution had to be shelved: experts considered the document too light-hearted and satirical, and not in keeping with the more contemplative tone of the rest of the magazine.

Finally, don't whatever you do miss Robin Cook's edition of Hello! magazine, with its exclusive Tony Blair questionnaire. "Fave colour, Tony?" asks Robin. Tony faces up to the question head-on. "It would be unrealistic at this stage to choose just one, Robin," he replies. "I like them all in different ways." So!



Get fear off the streets

Charles Leadbeater has plans to bring crime prevention and punishment into local communities. Prison, he argues, often doesn't work

T here is a danger of our succumbing in "Strawwardism", the new get-tough consensus on crime. Hardly a day goes by without either the Home Secretary or his Shadow coming up with a scheme to combat crime: zero-tolerance policing, mandatory sentencing, three-strikes-and-you're-out sentencing, teenage curfews, latter-day chain gangs, short sharp shocks, new prisons, more police officers, a crack-down on squeegee gangs, a victim-led approach to justice.

Yet for all this activity the crime debate is also sterile. Like so much political debate it is confrontational without being creative. The nature of the debate has developed. We have left behind the old argument between liberal reformers, who distrusted the police and blamed crime on society, and conservative traditionalists, who believed in tough punishments and a well-resourced police force. That has been replaced by Strawwardism, which combines elements of liberalism and authoritarianism. The problem with this new consensus is that it is as unimaginative as the clash of entrenched positions it has replaced. The remedies it offers — more people in prison, serving longer sentences — are no more credible than the past. America imprisons, proportionally, seven times more people than

develop more imaginative ways to combat crime. The Hampshire force is piloting a scheme in which officers video young people committing crimes, such as trespass and vandalism, then play the recording to them with their parents present. The principle is to use resources to support other informal sources of authority rather than supplant them.

Police forces should move towards more problem-centred policing, targeting specific areas which the public want tackled. The experience of Balsall Heath in Birmingham suggests how much can be achieved. Its Urban Street Watch scheme, in which teams of six people patrol housing estates every night, has helped to reduce burglaries by almost a quarter and crimes of violence by a fifth. Prostitution, which was rife in the area, has now almost disappeared. This approach could be combined with volunteer neighbourhood constables, to act as a bridge between a neighbourhood and the police. This is not a charter for vigilantes and it does not mean we can do without a professional police force.

WE have a history of innovation in alternatives to prison. England and Wales were the first countries to introduce community service orders, and we employ one of the widest ranges of non-custodial sanctions in the world — fines, suspended sentences, licences, compensation payments and the like. And punishment in the community would be cheaper. The annual cost of keeping an average prisoner in a category C medium security

prison is £17,000, compared with £1,260 for probation orders and £1,410 for supervision orders. The average cost of an attendance-centre order is about £190. Surveys from Norway, Denmark and Holland have found that re-offending rates are no higher and often lower amongst offenders who serve their sentences on community-service programmes. We should use prison for violent, sexual and repeated serious crimes, but develop more localised and flexible forms of punishment for other crimes.

To really cut the cost of prison-based punishment, whole prisons or at least wings would have to be closed. A very large share of the prison population would have to be transferred, over time, to community-based punishments — at least 10 per cent. But if the probation service had to cope with such a large expansion in the numbers of prisoners serving their sentences in the community, and still make sure the public felt safe, there would have to be a large and costly expansion in the service.

One possible answer is to learn from Japan: it's reliance on non-custodial forms of punishment is possible because it has a large volunteer probation service. In the late 1980s the prison system in Japan was accommodating 39,000 inmates a year at an annual cost of 137 billion yen, while the non-custodial system was dealing with 83,000 offenders at a cost of 12 billion yen. The most striking feature of the Japanese system is the extent of community involvement. It all started in 1889 when a discharged prisoner, rejected by his family and shunned by his community, committed suicide. A philan-

thropist, moved by the story, set up a fund to pioneer private after-care hostels. Others followed. After the second world war this philanthropic system provided the basis for community-based probation. In 1989 there were 800 probation houses for low category offenders. Inmates would carry out local community service work. Punishment needs to fit the criminal as well as the crime. Burglars might be required to act as charity collectors in town centres. Men who commit acts of violence against women could be required to make public apologies, in addition to other forms of punishment. In one case in the US a delinquent teenager was handcuffed to her mother to make sure she did not re-offend. These punishments are not soft options, but they raise troubling questions about how far we wish to employ public shaming as a form of punishment.

We live in a culture of constant nervousness. And there is nothing that makes us more nervous than crime. Our daily lives are measured out by the steps we take to protect ourselves from it. Only when society becomes better able to police itself will we start to feel safer.

The Self-Policing Society, by Charles Leadbeater, is published this week by Demos, £4.95

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Kenneth Stewart

A light out of Liverpool

KENNETH Stewart, who has died aged 71, was Member of the European Parliament for Merseyside West, and a typical Liverpudlian, in that he was deeply suspicious of government and a systems within which Alan Bleasdale's Yessers have always lost out.

Born into interwar, inner city Liverpool, he left Toxteth's Windsor Street elementary school as the second world war was beginning. Later he joined the Fifth Scottish Parachute Brigade, becoming a sergeant and seeing action in France, Italy, Greece and Palestine.

His military career ended when his parachute failed to open and he hurtled head first into the ground. It was soft soil. Ken's head was buried in the earth, his bones compacted and his skull fractured. He went back to his previous job as a joiner.

In 1946 he married Margaret Bass and became active in the woodworkers' union and in local politics. In 1964 he was elected to Liverpool City Council. His ward, Speke, was

a housing estate modelled on a pricier Weimar German scheme. But the families rehoused there from the slums were caught in the low wages and unemployment trap. That together with his building trade experiences, made Ken an intractable opponent of the bizarre rent calculations stemming from housing finance acts.

Liverpool's housing problems were born of the massive immigration of refugees fleeing the "Great Hunger", the Irish potato famine of the 1840s. Its legacy persists. When the Labour Party took council control from the Liberals in 1976, I asked Ken to chair the housing committee. It had always been his ambition and he accepted. Yet, as he later confessed to me, for the first week he could not sleep and spent the nights pacing the streets.

In 1984 Ken ran for the Conservative-held Merseyside West European parliamentary constituency. He was expected to struggle. He won comfortably.

As an MEP and member of its transport committee, he



worked to channel transport and housing funding into Merseyside. He was active on human rights issues and argued for reopening the Schengen Centre until 1988 when she brought in Carl Myers (a former scholar and Royal Ballet principal) to co-direct and take over.

She conceived and directed, from 1968-81, the Academy of the internationally famous summer school, and from 1970-80 served on the dance panel of the Arts Council of Great Britain. In 1971 she was awarded the Queen Elizabeth II coronation award of the Order of the British Empire for services to ballet.

Keith Liversidge, with whom she had one daughter, Louise, died in 1983. She married Dr Sam Smith, with whom she spent her very happy last years.

I last saw them in August when the Ilkley ballet seminars gave a small, informal dinner party, an anniversary celebration of her 90th birthday. Bubbling with vitality, charm and humour, she enjoyed every minute and will be remembered, as she would have wished, with laughter and the love of friends.

It had always been Ken's ambition to chair the housing committee. Yet, as he confessed, for the first week he could not sleep and spent nights pacing the streets

the physical liberation of Europe he strove to liberate it politically. As a (black-headed) shop steward, Liverpool councillor and MEP, Ken brought a formidable spirit to bear. He was part of what remains the labour movement's backbone, the organised working class.

A founding member of the European Socialist Campaign Group, Ken constantly reminded us of our responsibilities to the grass roots. He spoke with pride about his work as chair of Liverpool's housing committee and defying the 1980s attacks on Liverpool, he proudly wore his "Liverpool 46" badge.

Once in the European Parliament, he championed the miners' cause, threw himself into his work on the transport committee and used his experience in the docks to help produce one of that committee's finest reports, on safe seas. It was splendid to see that angry, gentle giant of a man standing up in the chamber, arguing for the rights of the world's seafarers. He worked constantly for his constituents, from

campaigning against their exposure to coal dust to his fight to have Liverpool recognised as a place in need of special help. It was with irony that he welcomed the city's European regional development funding — for he had believed, like many of his generation, that the reason he had fought Hitler was to ensure a British government cared for the needs of its people. Labour's exhortation "to win the peace" was written on Ken's heart.

There was a letter pinned on his office wall in Brussels, next to a picture of the double-winning Liverpool football team. It was from Jimmy Nolan, Mike Garden and Jim Davies on behalf of the striking Liverpool dockers. "Dear Ken," it said, "Just a brief note from the 500 sacked Liverpool dockers to say a great thank you for your tremendous solidarity and practical support." No finer tribute could be made to Ken Stewart MEP.

Keneth M Stewart, Euro MP for Merseyside West, born July 28, 1925; died September 2, 1996



Clem Thomas... an infectious enthusiasm for rugby

Firm faith in rugby's future

CLEM THOMAS, who has died aged 87, was a rarity in the conservative world of rugby union: he was a player who achieved everything in the 1950s but who in his subsequent career as a journalist never harboured a grudge against the game. His motto was and even in the past 12 months, which have been the most turbulent and unhappy in the sport's history, Thomas had an optimism and a glow about the game which few dared share.

His infectious enthusiasm for the game never waned, even when Wales, one of the world's great rugby nations in Thomas's playing days, declined miserably.

Despite his upbringing, educated at public school and Cambridge, Thomas was never an establishment man. In a radio discussion two days before his death, he put the blame for the chaotic state of rugby on the unions. They had not moved with the times, he argued, and were not geared up to running what is now a multi-million-pound business. Thomas sided with the new millionaires, the owners of clubs, such as Newcastle's Sir John Hall, even though he had many friends in both the Welsh and English rugby unions. He called for an end to the old guard and welcomed the new money that has revitalised dormant clubs such as Bedford and Richmond.

Thomas's playing career spanned a decade between 1949 and 1959. He won 26 caps for Wales, led his country on nine occasions and toured South Africa with the 1955 Lions. A marvellous open-side flanker, Thomas was a player who revelled in the big stage. "I never had much difficulty playing against Clem in club

games," said the former Cardiff, Wales and Lions outside half Cliff Morgan. "But playing with him for Wales, you knew you were in the presence of a great player."

Thomas played a key role in Wales's last victory over New Zealand, in 1950. It was his chip into space that the wing Ken Jones gathered to score the crucial try in Wales's 13-8 success. Thomas later led Wales to victory over Australia and played in three of the tests for the 1955 Lions, despite developing appendicitis on the tour. He made a remarkable recovery and went on to play in the final two matches of the rubber.

After he retired from playing, he quickly made his mark as a journalist, broadcaster and author. He wrote regularly for the Observer, and was an occasional contributor to the Guardian, before joining the Independent on Sunday. He also had a weekly column in the South Wales Evening Post. Together with Geoffrey Nicholson, he wrote an account of Wales's resurgence as a rugby nation in the 1970s and shortly before his death completed a history of the Lions. A vehement opponent of apartheid, Thomas was twice a candidate for the Liberal Party. He stood for Gower in the 1974 general election and for West Ham and Wales in the 1979 European election.

He survived a heart attack in 1990 and continued to live life to the full. He leaves a widow, Joyce, three sons and a daughter.

Richard Clement Charles Thomas, rugby international and journalist, born January 28, 1922; September 5, 1996

Louise Browne

Dancing down the generations

LOUISE Browne, who has died aged 89, was an American dancer and musical comedy star who graced many shows at the Gaiety Theatre in London, settled here and after retirement from the stage became a tireless advocate for sound training in classical ballet and the encouragement of young talent.

Born in Madison, near Boston, USA, she married her early ballet training in New York and Chicago from such masters as Theodore and Alexis Kossloff and Pierre Vladimiroff. Subsequently she studied singing and drama, and her professional career began in New York in musicals and the Ziegfeld Follies. In 1927 she came to London to star in *The Girl Friend* at the Gaiety Theatre and although she performed on both sides of the Atlantic for the next few years, she is best known and remembered for the musical comedies in which she appeared at the Gaiety, together with artists such as Leslie Henson, Fred Emney and Richard Heffer.

In 1939 she married Keith Liversidge, diplomat and Yorkshireman, and moved with him to Brussels to the British Embassy. In 1940 they returned to London, but in 1945 Keith was posted to Oslo; there, the future ballerinas Patricia Ruane, Elaine McDonald and Marguerite

opened a school in Oslo and together they founded and directed the Ny Norsk Ballet, which was eventually absorbed into the first state-subsidised company, Den Norske Opera Ballet. Thanks to Louise, who in 1947 had persuaded the Sadler's Wells Ballet to visit Oslo, much encouragement was given to the young company through guest appearances by Margot Fonteyn, Robert Helpmann and Michael Somes.

In 1950, Keith and Louise returned to London, where she began her association with the Royal Academy of Dancing of which, in 1954, her friend Fonteyn was to become president. For the Academy, Louise initiated many schemes which flourished and grew in importance.

FULLY AWARE of the national and international status of the Academy, she had a special affection for its Yorkshire region, once she and Keith had settled in York in the mid-1960s. In 1966 she established the York Scholarship Centre for the Academy, training promising young dancers from all over the county to major ballet school entry. Among the young dancers she encouraged — they all remained friends for life — were the ballerinas Patricia Ruane, Elaine McDonald and Marguerite



Louise Browne with Roy Royston in Running Riot at the Gaiety, 1938. MANDRA MITCHELSON



Alan Cheales... marvellously serene

ALAN CHEALES, who has died aged 83, was a simple Roman Catholic parish priest. Quintessentially English, he was almost a replica of Chaucer's "povre Person of a town".

Since he was the scion of a long line of Norfolk Church of England rectors, it was all the more surprising that the majority of the 1,000 mourners at his funeral were drawn from a predominantly Irish and under-privileged north London parish. There were

also, of course, many friends from other churches, people whose lives had been touched intimately during Cheales's 33 years of unbroken service to St Dominic's parish.

Cheales was simple in his integrity and devoted service to his fellow human beings, but he was not simple-minded. His interests were wide and his reading as voracious as his writing. Illegible, his enthusiasms infectious.

Alan was born in Rhodesia, as it then was, where his

father was a farmer — and from him Alan inherited his love of gardening. But, aged six, Alan returned with his family to Norfolk. After Marlborough, he went to Gonville and Caius College, Cambridge where his thoughts turned to Catholicism. His family were appalled and under this pressure he went to Lincoln Theological College.

He was ordained for the diocese of Durham and worked as an Anglican curate for two years, before entering the

Roman Catholic Church. As he was an ordained priest, he was turned down for war service and joined the Dominican novitiate in 1941. After his studies, he taught at the Dominican prep school at Llanarth, then was appointed novice-master.

He came to London in 1963 at the age of 50. The Vatican Council was in session and his documents poured out during the ensuing 18 months. Alan, wholeheartedly welcomed the changes and his new understanding of the church as a partnership between clergy and laity. Cheales's love for the education of children and the young became his inspiration, guiding his parish work. There were also other undertakings: Sunday speaking at

Hyde Park's Speakers Corner only Dr Soper had preached the Gospel there longer — ecumenical contacts and charity work.

In his last years, some of the activities he founded and treasured were taken from him. Even so, he remained marvellously serene. He worked to the very end, a familiar figure on his battered old bicycle, visiting the ill and the distressed, the young and old, squatters and the well-to-do. He leaves many people the richer for his life, the poorer for his death.

Alan Cheales, Dominican priest, born April 5, 1913; died July 30, 1996

Jackdaw



Rabbiting on

AND THE end of the film is a wedding of sorts, not simply a coupling but one that is non-coupling at the same time — a hyphen. This is, as with all weddings, a wedding without consummation, a hymen without hymen, a wedding of Eddie and Roger in their second kiss (suggesting they have always been married) — Eddie and Roger have exchanged tris in a way, but in a sense, they have always been divided within themselves, possessing traits they likewise exchange (and hence do not exchange) at the same time: Eddie always both a humanised rabbit and a rabbitised human at the same

time and Roger Rabbit always both a humanised rabbit and a rabbitised human at the same time and both Eddie and Roger at the same time. The wedding would be both the interior of the interior and the exterior of the human at the same time and vice versa. And in a sense the closer they come to resembling each other (the further they move from each other (are drawn away from each other), as if a fold joined and separated them at the same time — something which ensured that they couldn't never be either completely different or completely the same... Thus, the narrative of Who Framed Roger Rabbit: a movement that is and is not drawn at the same time. Alan Choldolenko. The Illusion of Life, published by those non-sense people at the Australian Film Commission. Roger Rabbit explained: An extract from the Blackdeath and Greenwith Gazette's Diary. *Thinis to Margaret Hurdell.*

Gormy gadgets
WELCOME to the irresistible pointlessness of Chindogu. The Japanese Art of Chindogu represents a collection of bizarre and brilliant gizmos and gadgets that have broken free from the chains of usefulness to enjoy the sublime liberation of the highly impractical. The original founder and genius of Chindogu is Kenji Kawakami, the Japanese designer, anarchist and mail-order enthusiast. Chindogu are designed to solve many of the nagging little problems of modern life at home, at work, at leisure (and while commuting between the three of them). The best thing about Chindogu is that they are real: all these inventions actually exist and have been made. But they must never be sold! The successful Chindogist approaches his subject in much the same way as a serious inventor would: searching for an aspect of life that could somehow be rendered more convenient and concealing a method for making it so. Like the inventor, he discards those notions that clearly miss the mark, but unlike the inventor, he also abandons those ideas which will obviously work. Having tested and verified that his invention indeed wasn't

worth the effort, the creator of the Chindogu will then congratulate himself on having successfully produced a useless gadget.

Classic Chindogu include the *Daddy Nurse* — a strap-on artificial breast for fathers who feel left out at their baby's meal times; the *Soaring Safety Net* — small baskets that sit on your shoulders and the *Fish Hood* — slips over the head of dead fish to stop soul-stripping eyes from staring at you as you gut them, all to be found at www.new-keel.com/chindogu/chindogu-primer.html

Bad lines
OFFICIAL: Only rain will cure drought — *The Herald-News, Westport, Massachusetts.*

Teen-age girls often have hairless fathers by men — *The Sunday Oregonian, September 24.*

Low Wages Said Key to Poverty — *Newsday, July 11.*

Man shoots neighbor with machine — *The Miami Herald, July 3.*

Tomatoes come in big, little, medium sizes — *The Daily Progress, Charlottesville, Virginia, March 30.*

Man Run Over by Freight Train Dies — *The Los Angeles Times, March 2.*

Scientists see quakes in L.A. future — *The Oregonian, January 28.*

Free Advice: Bundle up when out in the cold — *Lexington Herald-Leader, January 28.*

Economist uses theory to explain economy — *Collinsville Herald-Journal, February 8.*

Bible church's focus is the Bible — *Saint Augustine Record, Florida, December 3.*

Discoveries: Older blacks have edge in longevity — *The Chicago Tribune, March 5.*

Court Rules Boxer Shorts Are Indecent Underwear — *Journal of Commerce, April 20.*

Bringing nails can be sign of tenacious in a person — *The Daily Gazette of Schenectady, New York, May 2.*

How we feel about ourselves is the core of self-esteem, says author Louise Hart Boulder, Colorado, Sunday Camera, February 5.

Fish lurk in streams — *Rochester, New York, Demo-*

crat & Chronicle, January 28.

Stating the bleedin' obvious, actual headlines collected by the New Republic.

Spot on
NISSAN cars reacted with surprise when told one of their models shared its name with a hallucinogenic drug. The Micro Dot — a form of LSD usually found in the presence of people gazing at

blades of grass — is still available in a variety of shades and colours on the road for a few thousand pounds. A Nissan spokesman said: "We have been told of the similarity. She went on: "We theme our car names year by year but certainly weren't theming those cars on a drug theme. We had a Micra Wave that year." The names for the special themed models are thought up in-house — and this year, in line with the all-encompassing sweep of house music, the names are based on a music theme. The spokeswoman added: "There's Micra Music and a Micra Vibe — and there's the Almera Groove." *Someone is having a quiet laugh down at the Nissan company. Mixmag.*

Airing views
THE BBC has laboratories that smell, nasty things written on the wall and crinkly toilet paper from the seventies. Nick Elliott, ITV Network centre controller of drama, "I'm completely ignorant of the channel (BBC 2) at the moment." Mark Thompson, the new BBC 2 controller. He went on to say: "We have already kicked gay and lesbian televisionists out."

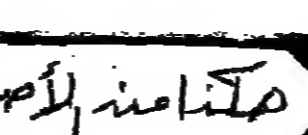
"There were quite a few people at the BBC who I thought were completely bonkers. Michael Jackson would get up in the middle of meetings, take his shoes off then start walking across furniture squeezing little balls. In some institutions people like that would be under lock and key." Michael Atwell, controller feature and arts at Channel 5.

"It is very salutary to keep a diary because one day that diary might keep me." Dawn Airey, Channel 5 director of programmes.

The Stage reports on the wise words of wisdom spoken at the Edinburgh Television festival.

Jackdaw wants jewels. E-mail jackdaw@guardian.co.uk; fax 0171-713 4366. Jackdaw, The Guardian, 119 Farringdon Road, London EC2R 2ER.

Emily Sheffield



Figures best for eight years but boom ruled out Sales surge boosts 'feel-better' factor

Sarah Ryfe

High-street traders yesterday boosted the "feel-better" mood among Britons by reporting the largest annual increase in sales for eight years, but business leaders immediately ruled out any chance of a return to a 1980s-style boom.

The Confederation of British Industry's latest survey of retailers, wholesalers and motor traders showed that confidence among traders continued to rise in August, with retailers posting the largest boost in optimism since August 1988.

They have reacted quickly to stronger consumer spending, placing more orders with suppliers and raising average prices for customers. The CBI said these price rises came from low bases and suggested retailers had finally started to pass on some of the cost increases they had so far stifled.

Alastair Eperon, chairman of the CBI's distributive trades survey panel, said: "This is the feel-better factor, but no way are we seeing a boom. We are talking about modest levels of increase. There are no requirements for the Chancellor to take any action to hold back inflation on the basis of these figures. We are not looking for an increase in rates. We have still got weak manufacturing and weak export demand."

The CBI also warned that

the August figure could have been distorted by unusually low figures last year when very hot weather was blamed for restraining sales volumes. The underlying three-month on three-month growth series, however, shows sales volumes have been rising since November last year.

Mr Eperon said retailers would continue to keep a tight grip on prices because consumers were still looking for bargains. "With trading conditions remaining highly competitive, just over a half of the retailers in the survey have secured price rises compared with a year ago."

Although the CBI survey often paints a rosier picture than later official figures support, the trends in the sector's fortunes have been broadly similar. City analysts said the CBI data suggested the official retail sales growth figure for August would be well above the monthly average so far this year and warned that the markets would balk at further stimulation to consumer spending via tax cuts in the Budget.

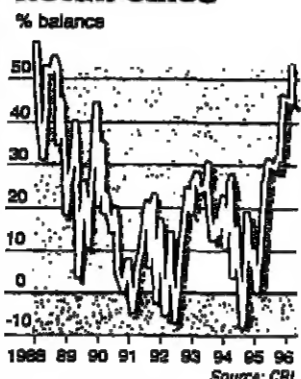
Simon Briscoe, UK economist at Nikko Bank, said: "Although tax cuts in the November Budget are unlikely to be significant, the market will increasingly worry that they will be as economically unnecessary, as they are politically inevitable."

The survey provided more evidence that the housing market recovery is feeding through to the retail sector. All 12 large furniture and carpet traders in the survey reported increased year-on-year sales for the first time since the 1980s housing boom.

Stronger consumer spending has also eased the log-jam in retailers' stocks, with levels at their lowest since January 1992. Wholesalers reported a rise in stocks in August having expected a run down, suggesting the extra cash being spent on the high street has not fed through the system completely.

● DIXONS, the electrical retailer, yesterday reported a 23 per cent profit rise in the first 18 weeks of its financial year to the end of August compared to the same period a year ago, and like-for-like sales growth of 11 per cent. Chairman Sir Stanley Kalms told the group's AGM that gross margins remained firm.

Retail sales



Car industry hits brakes after August euphoria

Simon Beavis
Industrial Editor

THE motor industry recorded its second busiest month of car sales ever last month despite signs that individuals were less interested in new P-reg cars than expected and that consumer confidence was beginning to flag again.

But the industry's euphoria that it was heading for more than two million car sales this year was tarnished by claims that two thirds of new cars are rolling out of showrooms with faults because of poor quality control and the rush to meet August sales.

The claim was made by What Car? magazine which said it had employed special car inspectors to carry out detailed checks on 50 P-reg cars and found only 12 fault free.

Between a quarter and a fifth of new cars are sold in August but the industry is stepping up pressure on the Government to alter the system.

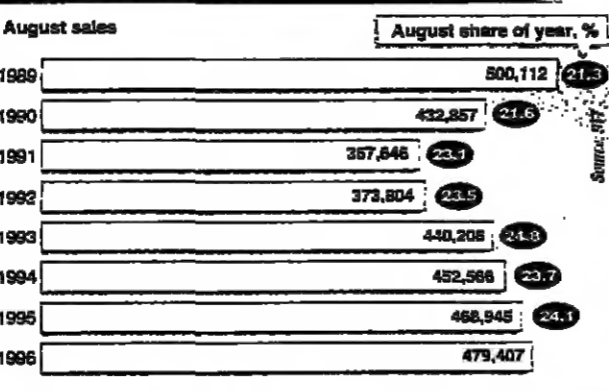
Last month a total of 478,407 cars were sold in the month, an increase of 2.3 per cent on the same month a year ago,

according to figures from the Society of Motor Manufacturers and Traders. Only one other month has ever seen more cars sold — August 1989, the year when the UK new car market reached a record high of 2.3 million.

But Ernie Thompson, chief executive of the SMMT, said that the consumer market, which had been growing at 10 per cent, had slowed to a more modest rate of 1 per cent. "Now is the time for the Government to help the industry to reduce its costs and allow customers greater freedom to choose when they wish to purchase," he added. The industry eagerly awaited the Government's promised green paper on the issue.

The SMMT denied the claims in What Car? as ludicrous. But the two sides agreed that registration should be done differently; the magazine arguing that scrapping the annual change-over would give garages more time to prepare vehicles.

New car sales



In harmony despite the rumours... Royal's Roger Taylor (left) and Richard Gamble (right) preside over management team

Newly-weds pass first test

OUTLOOK/Finance director has a steady hand on tiller in Royal merger, says Pauline Springett

ROYAL and Sun Alliance have only been married for eight weeks so the presentation of yesterday's half-year results was the first time the new-look company had appeared in public.

The City could hardly have been less interested in satisfactory figures for the six months to the end of June, essentially produced by amalgamating the results of the separate companies.

The real interest was in the merger's progress. Would the promised cost savings of £175 million a year materialise?

One of the main worries has been the issue of the management team. Roger Taylor, the former chief executive of Sun Alliance, has become deputy chairman of the merged group. Chief executive is Richard Gamble, who was formerly head of the Royal. Strictly speaking Mr Gamble reports to Mr Taylor, although the job definitions of the two men have never been satisfactorily explained to the City.

There had been rumours that Mr Gamble might not take to the arrangement. There was no sign of a split between the two men yesterday. More significantly, it became obvious that the merger is in the

safe hands of Paul Spencer, who used to be Royal's finance director and has retained that role in the merged group. But, as he stressed yesterday, he comes with relatively little "baggage" because he only joined Royal this year, having previously been treasurer at Hanson.

Mr Spencer's nine years at Hanson gave him plenty of experience of integrating acquisitions. His tortuously detailed explanation of how the merger has been carried out so far revealed that it is in his hand which has been on the tiller. He may have been a tad boring, but he could not have been accused of stinting on information. If he can deliver the goods, Mr Spencer, who is only 46, could be a hot candidate for the top job when Mr Gamble and Mr Taylor decide to step down.

Mr Spencer has called the integration process "cascading", whereby each level of management selects the level below it. The process is supposed to whittle down the two sets of managers from the two companies on a best man for the job basis. There are rumours that the selection process has not been quite this fair, but it might be that such talk emanates from a disaffected few.

The facts are that there are now 530 managers in place, although 30 per cent of them can expect to be axed once the integration is completed. Overall, the merger is expected to result in the loss of 5,000 jobs, 1,300 of which have already been announced. Mr Gamble said that every effort was made to look after the

affected staff. "We maintain that we are a caring company. We will look after our staff and help them in any way we can," he said.

He added that an agreement with the two main unions — the Sun Alliance staff association and the MSF — had been reached over redundancy terms. An MSF spokeswoman confirmed this, although she said there were a few points to clarify before any announcement could be made. Royal & Sun Alliance made all the right noises yesterday and most analysts tipped their full-year forecasts as a result. But some concerns remain. One is that the merged company is clearly overcapitalised; if this is not addressed, returns will be diluted. The company could save this with a share buy-back but is unlikely to do so. This is partly because mergers can produce unexpectedly nasty surprises and a comfortable cushion of capital is clearly sensible.

But, the company may also be keeping its powder dry in case it feels the need to make an acquisition. After all there are many small life insurers supposedly up for sale, and Royal & Sun Alliance would not want to miss the boat.

Item	Value	% change
Stock market value	£6.3bn	
Share price	410p	↓ 1 1/2p
Workforce	46,000	
Sales	£4,802m	+4.2
Pre-tax profit	£541m	+0.7
Earnings per share	20.3p	-2.5
Dividend	6.5p	n/a

Region	Operating profit, £m	Life operations profit, £m
UK	182	28
US	52	4
Canada	53	2
Scandinavia	10	15
International	81	3

Lonrho puts flotation of hotels division on hold

LONRHO yesterday surprised the City by postponing the £700 million flotation of its hotels division due to take place next month, after receiving several approaches for the business from potential trade buyers.

Lonrho, which announced the flotation last month, as part of a three-way demerger expected to be completed by the end of the year, said it had been contacted by "a number of parties", but refused to identify them.

Market sources indicated Lonrho had received eight "serious" approaches, from British and overseas hotel operators for all or part of Princess Metropole. It is understood most interest is in the Princess chain, which consists of luxury hotels in glittering locations such as the Bahamas, Bermuda, Acapulco and Palm Springs.

The would-be buyers are

thought to include American groups like IIT-Sheraton, Marriott and Four Seasons operator Renaissance.

It is believed that British groups Bass, Whitbread and Stakis have expressed interest in the Metropole chain, which specialises in the UK business and conferences market.

But Sir Rocco Forte, whose £1 billion consortium recently pulled out of the bid to buy back the old Forte Exclusive hotels now owned by Granada, last night denied that he was among the would-be buyers to have contacted Lonrho.

Richard Power, Sir Rocco's spokesman, said: "We are not interested in the Lonrho hotels, as they are not in the sort of markets where we want to be."

In a brief statement, Lonrho said it had decided to defer publication of the Princess Metropole prospectus. "In order to provide proper time for these approaches to be evaluated fully."

However, some City analysts speculated that Lonrho was merely attempting to delay spinning off Princess Metropole until rival hotel group Thistle completes its flotation, which is expected to value the group at about £1 billion.

They said that, if Lonrho had not priced Princess Metropole at a low enough price for City institutions, fund managers would simply wait until the Thistle hotel float, which could then be priced more attractively.

Others suggested that Lonrho could be delaying the issue until the resolution of uncertainties in the Gulf, where, five years ago, the invasion of Kuwait caused a collapse in world hotel trade.

One analyst said: "You have to be sceptical about what Lonrho are saying given the Gulf war factor — in those situations, Americans just don't get on aeroplanes, not even to the Bahamas."

Lonrho shares closed up 1p at 177p.

Granada sells textile unit for £136.5m

GRANADA, the hotel and media combine, has sold Spring Grove, its textile rental unit, to Davis Service Group for £136.5 million. Granada said that in the light of January's acquisition of Forte it was "not appropriate" to develop further in the textile rental area.

The sale marks the latest Granada attempt to drive down its debts, which soared to £2.5 billion after the Forte takeover. A total £250 million has since been raised in disposals.

Granada acquired Spring Grove — which provides rental and cleaning services for workwear, washroom towels and mats to business customers — in March 1993, when it bought Sutcliffe Services from P&O. — Ian King

NEWS IN BRIEF

Spurt in German growth
GERMANY yesterday underlined the economic divergence with France, its key partner in the drive to create a single European currency, by disclosing a 1.5 per cent spurt in second-quarter growth — contrasting with a 0.4 per cent fall across the Rhine. But the mounting evidence that Europe's biggest economy is on the way to recovery was muddled by a fresh rise of 14,000 in the number of unemployed last month to 3.9 million or 10.2 per cent. Some analysts said that the growth figures — up 1.5 per cent year on year — hardened the prospects that the next move by the Bundesbank, the central bank, would be to edge interest rates upwards. Yesterday it left rates unchanged.

The French finance minister, Jean Arthuis, insisted that Europe's two key economies would grow at a similar rate in 1997, with France set for a rise of up to 2.5 per cent. — David Gow

Hillsdown spells out BSE cost in red and white

MAD cow disease hit the red-meat businesses of Hillsdown in the first half of the year, but the switch by consumers to fish and white meat benefited operations including Buxted chicken.

Sir John Nott, the chairman, said the group was continuing its recovery from the hangover of the 1980s acquisition spree. "There is still a long way to go. Nevertheless, we see no reason why the current encouraging trend should not extend to the full year."

Hillsdown reported a dramatic change of fortunes, turning last time's £68 million loss to a pre-tax profit

of £44 million. But most of the turnaround was due to last year's exceptional losses. Operating profit from continuing businesses rose by only £8 million to £4 million.

The group, which was once Britain's biggest slaughterer, has been protected from the fiercest impact of the BSE scare because it sold or closed its abattoirs in 1993. The final exit from red-meat slaughtering came in the half-year with the sale of the Harris pork and bacon company.

Hillsdown remains exposed through catering butcher Fairfax Meadow, meat trader Towers Thompson and canning operation Robert Wilson.

Sales of meat and pro-

duce slipped only slightly in the six months, to £271 million. But profits slid from £7.6 million to £4.3 million. On the other hand, profits from poultry jumped by £3 million to more than £17 million.

The biggest increase was in the ambient grocery division — food packaged in jars, tins and packets. The Chivers Hartley Typhoo tea and non-chocolate Cadbury biscuit business saw profit advance by £5 million to more than £18 million, making it the group's largest profit contributor since acquiring the Hobson's biscuit and tea business.

The furniture and building division turned in £16 million profit on sales of £291 million.

Arjo Wiggins profits plunge

SHARES of Arjo Wiggins Appleton, the Anglo-French paper and packaging group, slided to a new low yesterday after the company announced a collapse in first-half pre-tax profits from £135.3 million to £22.3 million.

Arjo, which dropped out of the FTSE-100 last year after its shares collapsed, said the first half of 1996 and the second half of 1995 had been "the worst the group has experienced since its flotation". The shares closed down 3 1/2p at 181 1/2p. — Ian King

Amec changes in pipeline
AMEC, the engineering and construction company, shows signs of a recovery after three years of declining profits but the new chief executive, Peter Mason, wants sweeping changes.

After announcing a doubled half-year profit of £12.1 million, Mr Mason said there was no point in focusing on pure civil engineering or construction-related work, with its low tender prices and "cut-throat" margins. Instead, he expects to announce strategic alliances with international companies this year. — Tony May

Bioscience park planned

MORE than 900 jobs will be created from the development of Britain's first biosciences incubator park in Manchester, if the European Commission approves a £6.2 million grant. John Taylor, corporate affairs minister, said yesterday. The park would aid small entrepreneurs and large pharmaceutical firms to develop new ideas. — Maryn Halsall

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Rolls-Royce takes shine off profits at Vickers

Simon Beavis

HEAVY investment in a new generation of Rolls-Royce and Bentley luxury cars and some indifferent markets helped lead Vickers, the defence and engineering group, to report a smaller than expected increase in half-year profits yesterday.

The group said its pre-tax profits grew by 18 per cent to £31.8 million but this was lower than City experts had been expecting and, coupled with a small increase in the interim dividend from 2.4p to 2.7p, sent the shares down 12p to 358.5p.

The group invested £70 million last year and intends to this time, a large chunk of which is going into the luxury car business. Vickers said the results reflected "a process of consolidation".

Although sales of its cars grew strongly in the UK and US — up 52 and 33 per cent respectively, the group said margins had been lower because of reduced demand for customised versions.

There was disappointment, too, in the defence business, where a follow-on order for 18 Challenger tanks from Oman failed to materialise, although the group said it was confident the order would go ahead.

Vickers announced that the chief executive, Sir Colin Chandler, would assume the additional role of deputy chairman until next April when he will succeed Sir Richard Lloyd as chairman.

But, in a break with the Cadbury code on corporate practice, Sir Colin will continue to combine the roles of chairman and chief executive for about 12 months.

Lonrho puts flotation of hotels division on hold

Ian King

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Finance Guardian

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Fraud Office asked to join Morgan inquiry

Peter Young, the suspended Morgan Grenfell investment fund manager, outside his £450,000 home in Amersham, Bucks

PHOTOGRAPH: BRIAN HATTON



Luxembourg web probed

Paul Murphy, Richard Miles and Jon Henley in Helsinki

A SECRETIVE web of holding companies registered in Luxembourg is at the centre of the investigation into alleged irregularities within investment funds run by Morgan Grenfell's suspended fund manager Peter Young.

The Serious Fraud Office was yesterday asked to join the inquiry into how £1.4 billion belonging to 90,000 investors was managed. The SFO said last night it was in talks with City regulators but had yet to decide whether to launch a full-scale investigation.

Meanwhile, sources close to the investment bank said they were looking at several apparent "funds-within-funds" — holding companies, partly owned by the stricken Morgan unit trusts, which were in turn investing in other companies held in the unit trust portfolios.

After a three-day halt, trading in the three funds — the European Growth Trust, the European Capital Growth Fund and the Europa Fund — resumed yesterday. Morgan said it was "relieved" that funds withdrawn by nervous investors were restricted to £115 million — a redemption rate of 8 per cent.

The unit price of the biggest fund, the £788-million Growth Trust, fell from 592.3p to 570.9p as Morgan began meetings with independent financial advisers, portfolio managers and Mr Young's replacement, Stuart Mitchell.

The Guardian has learnt that Morgan officials have been trying to uncover details of three Luxembourg-registered companies — Cathrinholm Holdings, Waterprod Holdings and Met Tech Holdings — since mid-July. The bank seems to have set about

trying to revalue these three vehicles, which together accounted for £30 million of Mr Young's Growth Trust, after learning they were simply investing in other companies held in the Trust's portfolio.

Although these inquiries began in mid-July, sources at Morgan insisted yesterday that a direct investigation of Mr Young only began on August 21 at the instigation of Imro, the City watchdog. Imro, in turn, had been tipped off by sister-regulator, the Securities & Futures Authority, which had come across Mr Young's name while investigating Fiba Nordic Securities.

Fiba Nordic, a stockbroker specialising in Scandinavian stocks, said yesterday that it had only ever acted on Morgan Grenfell's instructions when dealing for Mr Young and in helping him to set up the Luxembourg entities.

Fiba also said it was acting under Morgan's instruction when it dealt for Mr Young with another Luxembourg entity central to the inquiry — Russ Oil & Technology.

The bank suspects Mr Young was using Russ to take personal share stakes in companies which the unit trusts were also investing in and the company is named in the injunction acquired by Morgan on Wednesday freezing Mr Young's assets. Sources at Morgan indicated the bank was still trying to ascertain who owns and/or controls Russ and where it might have invested.

Morgan also announced yesterday that it had suspended one of Mr Young's colleagues, Stewart Armer, who managed the Europa Fund, after discovering that he may have breached house rules which state that when a fund manager buys shares personally, they must use Morgan's in-house stockbroking facilities. Sources stressed that he was not embroiled in the wider investigation.

Few of the country's 25 million domestic electricity users are likely to switch from their current electricity suppliers when the market is opened to competition in 1998, the industry's regulator admitted yesterday, writes *Sirwan Beavis*.

Jealousy among 'business angels' as firms succeed

The fund managers

Paul Murphy

STARTLING as it might seem to those earning salaries a little closer to earth, the typical City fund manager can feel hard done by having to rub along on something between £100,000 and £150,000.

Morgan Grenfell's ill-fated manager, Peter Young, was a star in his industry and probably earned a good deal

more than the norm. But fellow fund managers say they will not be surprised if it turns out that Mr Young was trying to boost his funds' performance (and hence his income) in unconventional ways.

Fund management jobs come in various shapes and sizes. At the more mundane end of the business are the "index-trackers" — investment managers who simply track major indices such as

the FTSE 100 by buying the constituent companies' stock.

At the other end of the scale are the interventionist managers, such as Mr Young, who become closely involved with companies in which they are investing, helping to develop them as businesses. Because they are typically taking bigger risks, such managers have the chance of outperforming index-trackers substantially.

But there are pitfalls. Budding companies are much more likely to go bust, or at least fail to live up to expectations. Their owners might make huge sums through stock market listings, but the profits tend to be on paper.

"The key emotion is jealousy," said one well-known manager, who asked not to be named. "At times it can feel as though you are the man handing out cheques from the National Lottery,

without a cent ever coming back to you in the form of a thank-you."

He was referring to the modern phenomenon of fund managers becoming akin to "business angels".

Using one firm which recently joined the stock market as an example, the manager explained that, but for his work for over a year before the company was listed, "the company simply wouldn't exist".

"I started with one man with little more than an idea — a licence to do something and a vague ambition. I brought in the management to run it, I brought in the financial advisers and brokers, and my fund wrote the cheques."

Once listed (earlier this year) the stock was a runaway success and my fund has tripled its money. But the company's managers are now paper millionaires. My bonus will not look nearly so smart."

Imro director 'stepped aside'

The watchdog

Richard Miles

GRAHAM KANE, chief executive of Morgan Grenfell's unit trust arm, quit the board of Imro, the City watchdog which is investigating the bank, just days before the scandal became public.

Imro confirmed yesterday that Mr Kane had "stepped aside" as a director last week as soon as he became aware of

the irregularities which led Morgan Grenfell to suspend three investment funds and their two managers earlier this week.

Mr Kane, also a former deputy chairman of the Association of Unit Trusters and Investment Funds, was appointed an Imro director at the end of July. He was unavailable for comment yesterday.

Although not directly involved in the fund management business, Mr Kane did

sign off the latest annual report for the £788 million MG European Growth Trust, the biggest of the funds whose dealings were halted for 72 hours.

That report, which was drawn up by suspended fund manager Peter Young, makes clear that Morgan Grenfell breached the 10 per cent cap on investment in individual stocks on three occasions.

Mr Kane also signed off the annual report for the smallest of the frozen funds, the £137 million Europa unit trust.

Mr Young and his colleague Stewart Armer, who was also suspended yesterday, were members of a 14-strong European team.

But City fund managers believe most of its members must have been aware of the unorthodox investment strategy adopted by Mr Young, be-

cause meetings were held each month.

"I think it would be entirely unfair if all the blame rested with Young. People there must have been aware of what was going on. But do you shoot the golden goose? There was certainly a serious policing problem at Morgan," one fund manager said.

General Accident, the insurance company which resigned as trustee to two of the Morgan funds in June, attempted yesterday to distance itself from reports that it quit because it was unhappy with the way they were run.

The insurer said: "General Accident wishes to make it clear that it retired from the trusteeship of these funds by mutual agreement with the fund managers and that its retirement was unrelated to any concerns regarding possible breaches by the funds."

C&G leads retreat from mortgage discount war

Teresa Hunter

HOME buyers were hit yesterday when Cheltenham & Gloucester withdrew its discount mortgages — effectively pushing up the cost of a new home by up to 3 per cent in the first year.

Britain's fourth-biggest lender will reduce its standard mortgage rate from 6.9 per cent to 6.85 per cent from October 1, in line with a promise to undercut the top 10 lenders.

But the C&G will restrict its cash "gift" offer from Monday. This signals C&G's retreat from the remortgage market — described last month by the Halifax, Britain's biggest lender, as a "bloodbath for lenders".

and cash-back offers were paying a big deposit. The C&G said its decision to end discounts, including those for first-time buyers, had been in part caused by Bank of England and Building Society Commission concerns that young homeowners with big discounts might face difficulties meeting their repayments if interest rates rose sharply at the end of the discount period.

Customer inertia will mean that the regional electricity industry will continue to enjoy powerful monopolies and will probably need tough price controls in the early years of competition, a new paper from Stephen Littlechild, the director general of Ofgem, suggests.

The paper — which is being used to launch a period of consultation on price-capping after 1998 — says that it would be wrong to assume that similar numbers of consumers would transfer as in competition trials in the gas market.

It adds that the numbers switching are likely to be "significantly lower" than when the electricity markets for big industrial and commercial users was opened up.

GrandMet sell-off marks end of European hopes

Roger Cowe

Food and drink group Grand Metropolitan yesterday signalled the end of ambitions to build a European food empire when it sold the first of a string of weak food companies.

GrandMet will receive £140 million from Campbell Soup for a German soup maker, Erasco. The group is now looking for buyers for other national brands, including Peter's Savoury Products, Memory Lane Cakes and Shippans in the UK.

Erasco made sales last year of £150 million, while sales in remaining businesses for the chop came to £370 million. Their combined profits were £24 million.

Chief executive John McGrath said: "The disposals are an important step in our strategy of releasing capital from businesses generating inadequate returns for Grand Met shareholders and thus improving our overall return on capital employed."

based. Pillsbury chief executive Paul Walsh said he did not expect many of the 50 staff to transfer from Paris.

Mr Walsh said: "We aim to become more high-profile with our top brands."

That will be achieved through greater innovation and product development, and heavier advertising. Acquisitions of top international brands are also possible.

Campbell Soup yesterday announced another restructuring involving about 500 job losses out of its worldwide workforce of 43,000, adds *Mark Tran*. America's largest soup maker said it would sell some of its businesses and buy back up to \$2.5 billion (£1.6 billion) of its own stock. The company will also introduce a new line of soups, including frozen products.

Notebook

One way to stop the vote-buying

THE CBI's Adair Turner was spot on last night when he urged the Government to show "fiscal responsibility" in the run-up to the election. Given the state of the public finances, it was good advice.

Unfortunately, there is no chance of it being heeded. The rules of the modern political game insist that governments cut taxes before elections whatever the state of the economy.

The Treasury PSBR figures that justified the 1992 tax cuts were spurious and Norman Lamont knew it. But he cut taxes all the same.

Kenneth Clarke, for all his talk of prudence, will no doubt also move heaven and earth to offer a little something to floating voters come late November. This may be good politics but it is bad economics.

If there is scope for any easing of policy, it should come on the monetary side, where cheaper borrowing and a lower pound would help manufacturing and exports. But unless the Bank of England is having a little fun at our expense, it looks as if base rates have been pegged at 5.75 per cent.

That may well be the trough, even though there are some City pundits who harbour the suspicion that the Chancellor is keeping a quarter-point reduction in reserve to boost the Government's popularity in the run-up to next month's Conservative party conference.

Actually, they are focusing

on the wrong target. The history of the past 18 years is that the Government's desire to be orthodox in monetary policy has resulted in unnecessary deflationary damage to the economy. This has been true even in pre-election periods.

By contrast, the imminence of polling day has all too often been the excuse to take the brakes off public spending and indulge in cynical exercises in buying votes. The message is clear: there may be a case for taking some powers away from our political masters, but an independent fiscal policy would be far more useful than ceding monetary control.

Rule the rogues

WE'VE heard all the arguments before. Back in the late 1960s it was said that the big battalions of the labour movement were quite capable of controlling their members without recourse to statutory control. Voluntary codes of conduct were all that was required.

Mrs Thatcher made it clear that she had little patience with such woolly thinking. Unions needed to be trusted up tightly by the law.

The City, of course, was another matter. When it came to the re-organisation of the Square Mile in the mid-1980s, the Government was quite happy for the institutions to regulate themselves. These were, after all, chaps whose word was their bond.

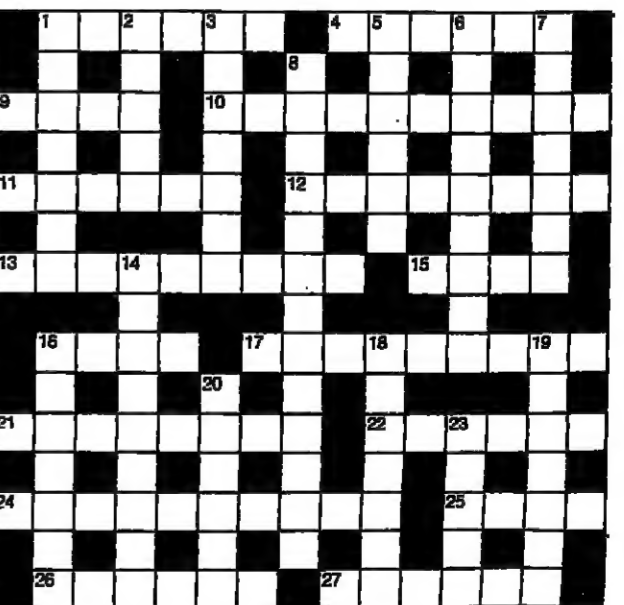
After 10 years of scandals the idea that there are just one or two rogues in the City is wearing a bit thin.

And what's sauce for the goose is sauce for the gander. Imagine the reaction had Peter Young worked for the National Union of Mineworkers or Lambeth council.

City regulation should be one of the top priorities of a Labour government.

Guardian Crossword No 20,751

Set by Rufus



- Across**
- 1 Capital naturalist (6)
 - 4 Periods when the odds are on the experts (6)
 - 8 It might hold more than one suit for a worker (4)
 - 10 Gets rid of in sale time perhaps (10)
 - 11, 12 Highlights of an Arctic cruise perhaps? (6, 8)
 - 13 They reduce the risk of accidents on flights (9)
 - 15 One who speculates in shares unsuitable for women (4)
 - 16 Passage for one from Oslo (4)
 - 17 Lady killer or femme fatale? (6)
 - 21 Class of good scholars (8)
 - 22 He's bound to go to the match (6)
 - 24 Don't remain wholly calm? (2, 2, 6)
 - 25 Early centre of missionaries (4)
 - 26 Summer's away (6)
 - 27 Do have a set-back with debts admitted to be bad (6)

- Down**
- 1 Brian Stoker's batman (7)
 - 2 Travelled like Lady Godiva with nothing on — a wild show! (5)
 - 3 In and out of work — it's not long (7)
 - 5 Earlier youth leader in a monastery (8)
 - 6 Letter or card (8)
 - 7 Trying to interview royalty? (7)
 - 8 Mabel and I lurch if drunk — on this? (13)
 - 14 Medical bulletin might give one a bad reputation (3, 6)
 - 16 Try to make a little yarn go a long way? (4, 3)
 - 18 Fed up with being exploited and rendered ineffective (7)
 - 19 Inferior articles that don't last long (7)
 - 20 An effish tomboy may be something of an enigma (6)
 - 23 Foreign friend has to leave with another (5)

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4 ODDS
8 SUIT
10 RIDDIM
11, 12 ARCTIC
13 SAFETY
15 SPECULATOR
16 OSLO
17 FEMME
21 SCHOLAR
22 MATCH
24 CALM
25 MISSIONARY
26 SUMMER
27 DEBT

DOWN
1 BATMAN
2 GODIVA
3 WORK
5 MONASTERY
6 LETTER
7 ROYALTY
8 MABEL
14 REPUTATION
16 YARN
18 EXPLOITED
19 ARTICLES
20 ENIGMA
23 FRIEND

مکان من التحليل

Saturday S...
the
Screen
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around
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S
Justice
victim
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Inside